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

Investigation Nos. 701-TA-549 and 731-TA-1299, 1300, 1302, and 1303 (Final)

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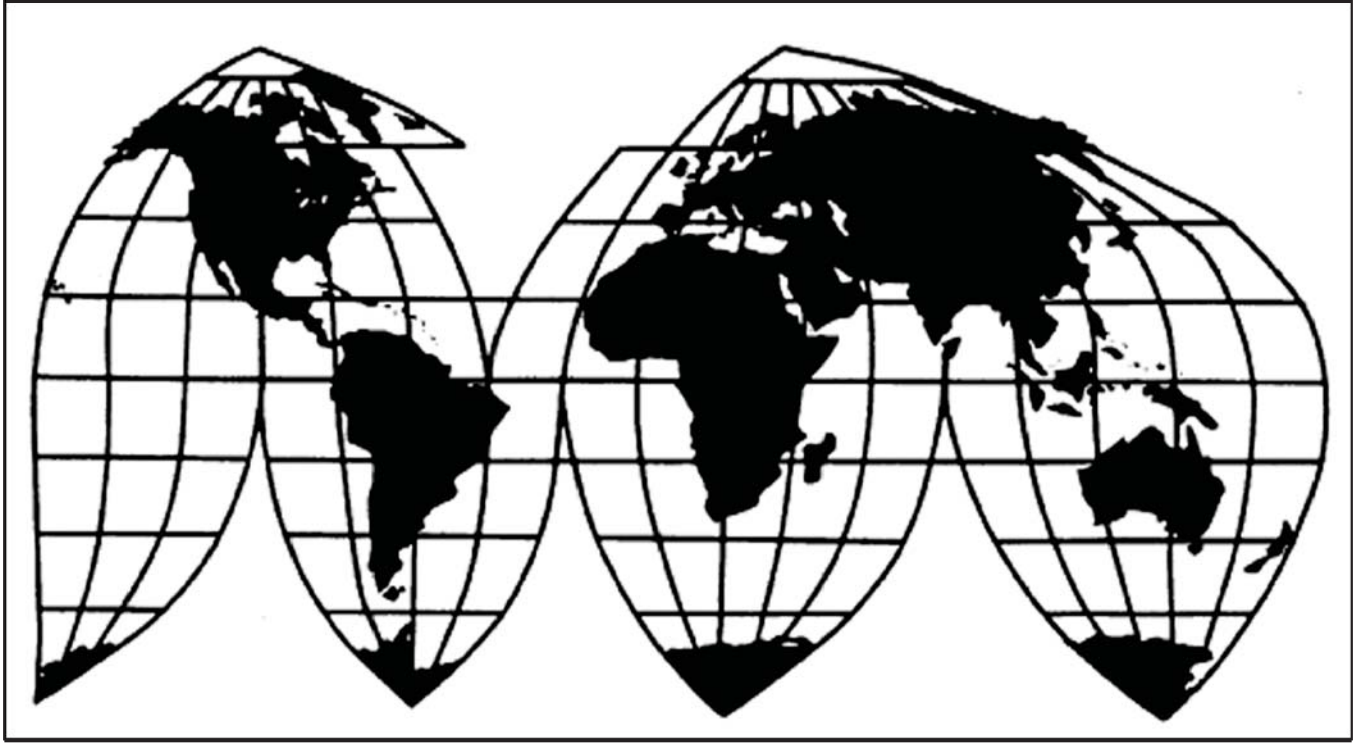
U.S. International Trade Commission



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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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, 1300, 1302 and 1303 (Final)

Circular Welded Carbon-Quality Steel Pipe from Oman, Pakistan, 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 an industry in the United States is materially injured by reason of imports of circular welded carbon-quality steel pipe ("CWP") from Oman, Pakistan, and the United Arab Emirates 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 have been found by the Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV").[2] The Commission further determines that imports of CWP from Vietnam that have been found by Commerce to be sold in the United States at LTFV and imports of CWP from Pakistan that are subsidized by the government of Pakistan are negligible pursuant to section 771(24) of the Act (19 U.S.C. 1677(24)), and its investigations with regard to these imports are thereby terminated pursuant to sections 705(b) and 735(b) of the Act.

BACKGROUND

The Commission, pursuant to sections 705(b) and 735(b) of the Act (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)), instituted these investigations effective October 28, 2015, following receipt of a petition filed with the Commission and Commerce by Bull Moose Tube Company (Chesterfield, Missouri), EXLTUBE (N. Kansas City, Missouri), Wheatland Tube (Chicago, Illinois), and Western Tube and Conduit (Long Beach, California). The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce regarding the subsidization of imports of CWP from Pakistan within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sales at LTFV of imports of CWP from Oman, Pakistan, the United Arab Emirates, and Vietnam within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing 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* on June 27, 2016 (81 FR 41592). The hearing was held in Washington, DC, on October 13, 2016, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Commissioners Dean A. Pinkert, Meredith M. Broadbent, and F. Scott Kieff dissenting with respect to LTFV imports from Pakistan.

Views of the Commission

Based on the record in the final phase of these investigations, we determine 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, and the United Arab Emirates ("UAE") found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value (LTFV).[1] We further determine that imports from Pakistan found by Commerce to be subsidized by the government of Pakistan and imports from Vietnam found by Commerce to be sold at less than fair value are negligible and terminate those investigations.

I. Background

On October 28, 2015, domestic CWP producers Bull Moose Tube Company, EXLTUBE, Wheatland Tube ("Wheatland"), and Western Tube and Conduit (collectively "petitioners") filed petitions with Commerce and the Commission. Petitioners jointly filed prehearing and posthearing briefs and appeared at the Commission's hearing accompanied by counsel.

Four respondent groups participated actively in the final phase investigations. Representatives and counsel for International Industries Ltd. ("IIL" or "Pakistan respondent"), a producer and exporter of CWP from Pakistan, appeared at the hearing and submitted prehearing and posthearing briefs. Representatives and counsel for Al Jazeera Steel Products Co. SOAG ("Oman respondent"), a producer and exporter of CWP from Oman, appeared at the hearing and submitted prehearing and posthearing briefs. Representatives and counsel for Universal Tube and Plastic Industries Ltd., UTP Pipe USA Corp., Prime Metal Corp., and Ajmal Steel Tubes and Pipes Ind. LLC (collectively "UAE respondents"), producers and exporters of CWP from the United Arab Emirates (UAE), appeared at the hearing and jointly submitted prehearing and posthearing briefs. Representatives and counsel for Maruichi Sun Steel Joint Stock Company and Hoa Phat Steel Pipe Co. (collectively "Maruichi"), producers and exporters of CWP from Vietnam, appeared at the hearing and jointly submitted prehearing and posthearing briefs. Representatives and counsel for Midwest Air Technologies Inc. and Vietnam Haiphong Hongyuan Machinery Manufactory Co. Ltd. (collectively "Midwest"), producers and importers of CWP from Vietnam, appeared at the hearing and jointly submitted prehearing and posthearing briefs.

U.S. industry data are based on questionnaire responses from nine domestic producers that accounted for the vast majority of domestic production of CWP in 2015.[2] U.S. import data

[1] Commissioners Pinkert, Broadbent, and Kieff determine that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of CWP from Pakistan found by Commerce to be sold at LTFV. *See* their Dissenting Views. They join all sections of these Views unless otherwise indicated.

[2] Confidential Report ("CR") at III-1, Public Report ("PR") at III-1. UAE respondents contend that domestic producer Allied Tube & Conduit Corporation ("Allied") submitted an untimely questionnaire response which impeded the investigation. UAE Respondents' Final Comments at 1-9. This contention is without merit because Allied's questionnaire response was received on November 2, 2016, which was (Continued...)

are based on proprietary Customs data and questionnaire responses of 35 U.S. importers of CWP representing 90.1 percent of official U.S. imports from the subject countries over the period of investigation. Questionnaire responses accounted for *** percent of subject imports from Oman, *** percent of subject imports from Pakistan, *** percent of subject imports from the UAE,[3] and an estimated *** percent of imports from Vietnam during 2015. Foreign industry data and related information are based on the questionnaire responses of one producer and exporter of CWP in Oman accounting for *** percent of U.S. imports from Oman in 2015,[4] the questionnaire response of one producer and exporter of CWP from Pakistan accounting for *** percent of U.S. imports from Pakistan in 2015,[5] the questionnaire responses of six producers and exporters of CWP from the UAE accounting for *** percent of U.S. imports from the UAE in 2015,[6] and the questionnaire responses of three producers and exporters of CWP from Vietnam that account for *** percent of U.S. imports from Vietnam in 2015.[7]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[8] 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."[9] 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."[10]

The decision regarding the appropriate domestic like product in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[11] No single factor is

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(…Continued)
before the record in these investigations closed on November 10, 2016, and was accepted by the Commission staff. EDIS Doc. No. 594179 (November 2, 2016).

[3] CR at IV-1-2, I-6-7, PR at IV-1-2, I-4-5.

[4] CR/PR at VII-3.

[5] CR at VII-10, PR at VII-8.

[6] CR at VII-17, PR at VII-12.

[7] CR at VII-24, PR at VII-16.

[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(4)(A).

[10] 19 U.S.C. § 1677(10).

[11] *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 (Continued...)

dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[12] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[13] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,[14] the Commission determines what domestic product is like the imported articles Commerce has identified.[15]

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

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:

(…Continued)
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).

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

[13] *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.").

[14] *See*, *e.g., USEC, Inc. v. United States*, 34 Fed. Appx. 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).

[15] *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 in which Commerce found five classes or kinds).

(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 specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above and also has one or more of the following characteristics: Is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (*e.g.,* polyester coated) surface finish; or has a threaded and/or coupled end finish.[16]

The scope definition provides further information about the nature of the covered products.[17] It also expressly excludes certain products.[18]

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[16] *E.g. Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman*, 81 Fed. Reg. 75026 (Oct. 28, 2016) (final determination of sales at less than fair value).

[17] 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 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.

(Continued...)

(…Continued)

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

81 Fed. Reg. at 75026.

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

(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 F1083 specification; however, mills also produce fence tubing without reference to an ASTM specification or to a general specification such as ASTM A513. CWP is also 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.[19]

(…Continued)

(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, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 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.

81 Fed. Reg. at 75026.

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

C. Arguments of the Parties and Analysis

In these final phase investigations, no party has asserted any argument pertaining to how the Commission should define the domestic like product.[20] In the preliminary phase of these investigations, petitioners asserted that the Commission should find a single like product that is coextensive with Commerce's scope and respondents did not contest this definition. We defined a single domestic like product coextensive with the scope.[21]

The record in the final phase of these investigations does not contain any new information concerning the domestic like product factors.[22] In the absence of any argument to the contrary, we define a single domestic like product consisting of CWP that is coextensive with Commerce's scope, for the reasons set forth in our preliminary determinations.

III. 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."[23] 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.

A. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision 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.[24] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[25]

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[20] *See, e.g.,* Pakistan Respondent Posthearing Brief at 3.

[21] *Circular Welded Carbon-Quality Steel Pipe from Oman, Pakistan, the Philippines, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA 549, 731-TA-1299-1303 (Preliminary), USITC Pub. 4586 at 9-10 (Dec. 2015).

[22] *See generally* CR at I-18-22, PR at I-14-16.

[23] 19 U.S.C. § 1677(4)(A).

[24] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem*., 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[25] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;
(Continued...)

Domestic producer *** imported subject merchandise produced by its affiliate, ***. Thus, it is a related party. *** is a small domestic producer, accounting for *** percent of domestic CWP production in 2015. It ***.[26] *** imported *** short tons of subject merchandise in 2015, the equivalent of *** percent of its domestic production that year. It did not import subject merchandise during any other portion of the January 2013 – June 2016 period of investigation ("POI").[27] *** stated that ***.[28]

The relatively small size of *** imports relative to its domestic production indicates that its principal interest lies in domestic production. No party has argued that *** be excluded from the definition of the domestic industry. Accordingly, we find appropriate circumstances do not exist to exclude *** from the domestic industry.

Domestic producer *** shares an "ultimate parent" with ***.[29] Because *** is a producer of the domestic like product and may share common control with an importer of subject merchandise (***), it is arguably a related party as well.[30] Because *** did not report importing subject merchandise,[31] our finding that *** primary interest is in domestic product is also applicable to ***.[32] We accordingly find that appropriate circumstances do not exist to exclude *** from the domestic industry.

We therefore define the domestic industry to include all domestic producers of CWP.

IV. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product shall be deemed negligible if they

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(…Continued)

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[26] CR/PR at Table III-1.

[27] CR/PR at Table III-8.

[28] CR at III-15 n.8, PR at III-9 n.8.

[29] The common parent is ***. CR/PR at Table III-2. *** also identified domestic producer *** as a sibling company. CR/PR at Table III-2. We do not analyze whether appropriate circumstance may exist to exclude *** from the domestic industry because it did not respond to the producer's questionnaire.

[30] *See* 19 U.S.C. § 1677(4)(B)(ii)(III). The record does not indicate the nature of *** relationship with its U.S. affiliates. We assume *arguendo* that a control relationship exists.

[31] *See* Questionnaire response of *** at Question II-6.

[32] *** accounted for *** percent of U.S. CWP production in 2015 and *** the petitions. CR/PR at Table III-1.

account for less than 3 percent (or 4 percent in the case of a developing country in a countervailing duty investigation) of 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.[33]

The statute further provides that subject imports from a single country which comprise less than 3 percent of such total imports of the product 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 of the volume of all such merchandise imported into the United States.[34] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative ("USTR")), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[35] The USTR has designated Pakistan as a developing country subject to the higher thresholds.[36]

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 (4 percent for countervailing duty investigations of developing countries) of all such merchandise imported into the United States.[37] The Commission also assesses whether there is a potential that the aggregate volumes of subject imports from all countries with currently negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.[38] The threshold is 9 percent for developing countries.

In these final phase investigations, we calculated import volume using data from certified questionnaire responses as our baseline because questionnaire responses ultimately provided more accurate data coverage concerning in-scope imports than data from the proprietary Customs Net Import File ("CNIF"). Import volume for firms that did not provide questionnaire responses was calculated using proprietary CNIF data from the seven HTS numbers under which the majority of CWP imports enter the United States.[39] [40] [41]

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[33] 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)).

[34] 19 U.S.C. § 1677(24)(A)(ii).

[35] 19 U.S.C. § 1677(24)(B).

[36] HTSUS General Note 4(a), 15 C.F.R. § 2013.1.

[37] 19 U.S.C. § 1677(24)(A)(iv).

[38] 19 U.S.C. § 1677(24)(A)(iv).

[39] The data in the final Commission Report (unlike the Prehearing Report) includes all questionnaire respondents, plus a supplement to include nonresponding firms as reported under the primary HTS numbers ("Customs supplement"). *See* EDIS Doc. 594849, file ID 1132509, pg. 4509-4621, "CNIF Plug U.S. importer's Questionnaire." In the final Commission Report, by virtue of having included the Customs supplement in the questionnaire data set, the ratio in the last column of Table I-1 reflects a miscalculation. Had the Customs supplement not been incorporated into the questionnaire dataset, the ratio of questionnaire data to their equivalent in Customs records would have been 133.3 percent not (Continued...)

Oman, Pakistan (AD), and UAE. From October 2014 to September 2015 (the 12 months prior to the filing of the petitions), subject imports from Oman were *** percent of total imports, subject imports from Pakistan were *** percent of total imports, and subject imports from the UAE were *** percent of total imports.[42] These percentages are above the pertinent negligibility threshold and we consequently find that subject imports from Oman, Pakistan, and the UAE that Commerce found are sold at less than fair value are not negligible.

Pakistan CVD. We find that subsidized subject imports from Pakistan are below the negligibility threshold for present material injury. During the October 2014 to September 2015 period, subject imports from Pakistan were *** percent, which is below the 4 percent negligibility threshold for developing countries subject to CVD investigations.[43]

(…Continued)
the 278.3 percent reflected in the "all other sources" line. We have not relied on this erroneous calculation in our analysis.

[40] The methodology in the final Commission Report differs from the methodology in the Prehearing Report, which used adjusted official import statistics as the baseline and was supplemented with data from questionnaire responses. The methodology used in the final Commission Report begins with import data gathered from questionnaire responses. As a baseline, the questionnaire response data in these investigations provide broader data coverage than adjusted import statistics and are more accurate because they were obtained directly from the importers and reflected the merchandise in the scope definition. We observe that import volume trends for purposes of our negligibility analysis are similar regardless of the methodology used.

In these final phase investigations, we continue to find that most subject products enter under seven HTS statistical reporting numbers ("primary HTS numbers"): 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. However, in some cases subject merchandise enters the United States under HTS numbers including, but not limited to, 7306.19.1010, 7306.19.1050, 7306.50.5050, and 7306.50.5070 ("secondary HTS numbers"). CR at IV-1, PR at IV-1. The U.S. importers' questionnaire asked for both total imports of in-scope CWP and imports of in-scope CWP classified under HTS numbers other than the primary HTS numbers. *See, e.g.*, Importer Questionnaire at 17, Question II-7. Most U.S. importers that reported imports under other HTS numbers classified their in-scope imports under the secondary HTS numbers. *See* CR/PR at Table IV-5.

Pakistan respondent contends that because the data coverage for imports that entered from "all other sources" is *** percent, it is "reasonable to assume that the importers who entered the remaining *** percent of the 'all other sources' would also be importing subject merchandise under other HTS numbers at levels comparable to those of the responding importers" (*e.g.* at the erroneously calculated 278.3 percent). Pakistan Respondent Final Comments at 4. Based on the data provided by the importers that responded to the questionnaire, Pakistan respondent's argument overestimates the amount of material from non-responding importers that would have entered under the secondary numbers based on the data and cannot establish that dumped imports from Pakistan are negligible.

[41] Petitioners do not challenge this methodology. *See, generally*, Petitioners' Final Comments.

[42] CR/PR at Table IV-3. Subject import volume from Pakistan remains above the 3 percent negligibility threshold regardless of whether the Commission uses its current methodology or its prehearing methodology. *Compare* CR/PR at Table IV-3 with Table IV-4.

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

We next consider whether subsidized subject imports from Pakistan have the potential to imminently exceed the 4 percent negligibility threshold, in which case they would not be deemed negligible for a threat analysis. From October 2014 to September 2015, based on adjusted HTS data,[44] the subject import volume from Pakistan showed minimal change and remained below 4 percent of total imports during each of the 12 months.[45] While subject imports from Pakistan were higher in May 2015 than during any other month in the POI, they decreased irregularly from May 2015 to September 2015.[46] Subject imports from Pakistan did not come particularly close to approaching the 4 percent threshold during any year or January-June ("interim") period in the POI. The ratio of subject imports from Pakistan to total imports was *** percent in 2013, *** percent in 2014, and *** percent in 2015. It was *** percent in interim 2015 and *** percent in interim 2016.[47] Although this ratio increased between 2014 and 2015, the increase was modest. Moreover, while the peak ratio occurred in interim 2015, the record shows that subject imports from Pakistan are generally higher in the spring and early summer months than during the remainder of the year.[48] Capacity in Pakistan remained the same throughout the POI, but production and shipments to both the home market and the United States increased throughout the POI.[49] As previously discussed, however, the increases in subject imports from Pakistan during the latter portion of the POI resulted in relatively modest increases in the ratio of these imports to total imports.[50] We consequently find that subsidized subject imports from Pakistan do not have the potential to imminently exceed the 4 percent negligibility threshold.

Vietnam. In Commerce's final antidumping duty determination concerning CWP from Vietnam, exports produced by SeAH Steel VINA Corporation ("SeAH") received a *de minimis* margin.[51] Consequently, these imports are no longer subject merchandise. During the October 2014 to September 2015 period, dumped subject imports from Vietnam were *** percent of

[44] Adjusted HTS data are the most reliable source in the record concerning monthly import volumes and trends, which are unavailable from questionnaire data.

[45] CR/PR at Table IV-5. The data in Table IV-5 are derived from the adjusted Customs data used in the prehearing methodology and are presented solely for the purpose of examining monthly trends in subject import volume. We note that these data do not include the totality of record data received in Commission questionnaire responses but that they represent the best available data on the record regarding monthly import trends.

[46] CR/PR at Table IV-11. Data in Table IV-11 are calculated using adjusted official import statistics and therefore are not directly comparable to data in Table IV-3, which are based primarily on questionnaire response data. The data are considered to be the most reliable for monthly volume and trends.

[47] CR/PR at Table IV-2.

[48] *See, e.g.* CR/PR at Table IV-11.

[49] CR/PR at Table VII-7.

[50] See CR/PR at Tables IV-2 and IV-5.

[51] *Circular Welded Carbon-Quality Steel Pipe From Vietnam,* 81 Fed. Reg. 75042 (Oct. 28, 2016) (final antidumping duty determination).

total imports and thus below the 3 percent negligibility threshold for a present material injury analysis.[52]

We next discuss whether dumped subject imports from Vietnam have the potential to imminently exceed the 3 percent negligibility threshold, in which case they would not be deemed negligible for a threat analysis. From October 2014 to September 2015, based on adjusted HTS data,[53] the ratio of dumped subject imports from Vietnam to total CWP imports declined and remained well below the 3 percent threshold for each month.[54] Capacity and production in Vietnam increased over the POI, as did home market shipments. Export shipments to the U.S. market declined over the POI.[55] In light of declining subject imports from Vietnam, we find that subject imports from Vietnam will not imminently exceed the 3 percent negligibility threshold.

Conclusion. For the foregoing reasons, we find that subject imports from Oman, Pakistan, and the UAE sold in the United States at LTFV are not negligible. We find that subsidized subject imports from Pakistan are negligible and terminate the countervailing duty investigation on CWP from Pakistan. We find that subject imports from Vietnam are negligible and terminate the antidumping duty investigation on CWP from Vietnam.[56]

V. Cumulation

For purposes of evaluating the volume and effects for a determination 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:

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

[53] Adjusted HTS data are the most reliable source in the record concerning monthly import volumes and trends, which are unavailable from questionnaire data.

[54] CR/PR at Table IV-5.

[55] CR/PR at Table VII-17.

[56] The Commission has previously stated that it will not aggregate dumped subject imports from one country with subsidized subject imports from another country for purposes of ascertaining whether the statutory aggregate negligibility thresholds are satisfied. *See Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540, 542-544, 731-TA-1283, 1285, 1287, and 1289-90 (Final), USITC Pub. 4637 at 13 n.69 (Sept. 2016); *Certain Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turke*y, Inv. Nos. 701-TA-559-561 and 731-TA-1317-1328 (Preliminary), USITC Pub. 4615 at 22-23 (May 2016); *Certain Cold-Rolled Steel Products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela*, Inv. Nos. 701-TA-393-396 and 731-TA-829-840 (Preliminary), USITC Pub. 3214 at 16 & n. 105 (July 1999). We consequently have not undertaken an aggregate analysis here.

(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;

(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.[57]

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.[58] Only a "reasonable overlap" of competition is required.[59]

For purposes of these determinations, dumped subject imports from Oman, Pakistan, and the UAE are eligible for cumulation.[60] Petitioners filed the antidumping duty petitions with respect to imports from these subject countries on the same day, October 28, 2015.

Petitioners' Arguments. Petitioners argue that that there is a reasonable overlap of competition between imports from each of the subject countries and the domestic like product. They contend that CWP is generally fungible regardless of source, because CWP from all sources, except Pakistan, meets the same ASTM specifications. With regard to subject imports from Pakistan, petitioners note that most entities responding to the Commission's questionnaire considered CWP from Pakistan and the United States to be "always interchangeable." Petitioners argue that there is "broad geographic overlap" among the domestic like product and subject imports; that they are sold through the same channels of distribution (with U.S. producers and importers selling mainly to distributors); and that the domestic like product and subject imports from each country were simultaneously present in

[57] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (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).

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

[59] 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, S.A. v. United States*, 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.").

[60] Because we terminated the investigation concerning subject imports from Vietnam these imports are no longer eligible for cumulation. *See* 19 U.S.C. § 1677(7)(G)(II).

the United States during the period of investigation, although subject imports from Pakistan were absent in a few months at the end of the POI. Accordingly, Petitioners urge the Commission to cumulate all subject imports.[61]

Respondents' Arguments. Pakistan respondent contends that the Commission should not cumulate subject imports from Pakistan with the other subject imports because there is no reasonable overlap of competition between its imports and the domestic like product. It argues that subject imports from Pakistan are not substitutable with other CWP because they are used only in commercial fence tubing.[62] Pakistan respondent argues that subject imports from Pakistan are not certified to ASTM A53 standards and are not certified lead free under the Safe Drinking Water Act, whereas imports from the other subject countries are generally certified to ASTM A53 and thus can be used in a broader range of applications.[63] Pakistan respondent contends that the domestically produced pipe which competes with Pakistan subject imports is produced to higher ASTM standards than ASTM A53 and thus subject imports from Pakistan and the domestic like product are not interchangeable.[64] Pakistan respondent asserts that there is little evidence that subject imports from Pakistan are simultaneously present in the U.S. market with other subject imports.[65]

A. Analysis

As discussed below, we find there is a reasonable overlap of competition among subject imports from Oman, Pakistan, and the UAE, and between subject sources from each of these sources and the domestic like product.[66]

There is an overlap of channels of distribution. Domestic producers sold mainly to distributors, and subject imports from Oman, Pakistan, and the UAE were sold *** distributors.[67] Consequently, during the POI, the majority of CWP shipments were to distributors, regardless of source.

The record also indicates geographic overlap. Majorities of U.S. producers reported selling CWP to all regions in the contiguous United States.[68] Subject merchandise from Oman

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[61] Petitioners' Prehearing Brief at 6-8.

[62] Pakistan Respondent Prehearing Brief at 33-34.

[63] Pakistan Respondent Prehearing Brief at 34-35. Pakistan respondent also challenges the purchaser questionnaire responses concerning interchangeability because only two responding purchasers indicated they were familiar with marketing or pricing of Pakistani imports yet 10 purchasers provided answers concerning Pakistani imports. *Id*. at 37.

[64] Pakistan Respondent Prehearing Brief at 36-37.

[65] Pakistan Respondent Prehearing Brief at 38.

[66] Commissioners Pinkert, Broadbent, and Kieff join this discussion regarding the reasonable overlap of competition between imports from Oman and the UAE and between the domestic like product and imports from each of these subject countries. They cumulate subject imports from Oman and the UAE for purposes of their material injury analysis, and consider subject imports from Pakistan separately. For their separate analysis on subject imports from Pakistan, see their dissenting views.

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

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

and the UAE were also sold in all regions of the contiguous United States, while subject imports from Pakistan were *** during the POI. While the geographic distribution of subject imports from Pakistan was more limited than that of the domestic like product or the subject imports, the domestic like product and subject imports from Oman, Pakistan, and the UAE were also sold in ***.[69]

Imports from each subject country were simultaneously present in the U.S. market. Imports of CWP from Oman and the UAE were present in the U.S. market in every month of the POI. Imports of CWP from Pakistan were present in 38 of the 42 months comprising the POI.[70]

The data indicate at least moderate interchangeability among imports from Oman, Pakistan, and the UAE and between imports from each of these sources and the domestic like product. *** responding domestic producers reported that subject merchandise from Oman, Pakistan, and the UAE was always or frequently interchangeable with other subject merchandise or the domestic like product.[71] Between *** percent of responding importers reported that subject merchandise from Oman, Pakistan, and the UAE was always or frequently interchangeable with other subject merchandise or the domestic like product.[72] Between *** percent of responding purchasers reported that subject merchandise from Oman, Pakistan, and the UAE was always or frequently interchangeable with subject merchandise from other countries or the domestic like product.[73]

Purchasers found at least some comparability between and among domestic and subject suppliers, including subject imports from Pakistan. Purchasers were asked to compare subject imports with each other and the domestic like product in 14 non-price characteristics. The majority of responding purchasers found that each of the subject countries' CWP was comparable to the domestic like product and the other subject merchandise in at least half and in many instances nearly all of these non-price characteristics.[74]

We acknowledge some differences in ASTM certification. The majority of CWP imported from all subject countries except Pakistan in 2015 was made to ASTM A53 standards. By contrast, *** percent of CWP products imported from Pakistan in 2015 did not meet a formal standard.[75] In our view, this does not limit the fungibility of the subject imports from Pakistan,

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

[70] CR/PR at Table IV-11.

[71] CR/PR at Table II-10.

[72] CR/PR at Table II-10.

[73] CR/PR at Table II-10. In comparing the domestic like product and subject imports from Pakistan, six purchasers found the products always interchangeable, one found the products frequently interchangeable, eight found the products sometimes interchangeable, and one found the products never interchangeable. *Id*.

[74] CR/PR at Table II-9. Purchaser ***, which purchased between *** percent of the total U.S. subject imports from Pakistan between 2013 and 2015, indicated that it is familiar with subject imports from Pakistan and reported that such imports were comparable across the entire range of non-price characteristics. *See* Questionnaire Response of ***, EDIS Doc. No. 588197 (Aug. 16, 2016) at Question II-1 (indicating purchase volume) and CR/PR at Table IV-2; Questionnaire Response of *** at Question IV-1 (indicating country knowledge) and IV-7 (providing comparisons based on non-price characteristics).

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

Pakistan respondents' arguments notwithstanding.[76] CWP from Pakistan is marketed as having equivalent qualities and being generally manufactured to ASTM A53-A standards.[77] While subject imports from Pakistan may not be certified as lead-free, most purchasers reported that lead-free product was not important in purchasing decisions.[78] Moreover, most purchasers evaluated the subject imports from Pakistan as comparable with the domestic like product and other subject imports in the factor of quality meeting industry standards.[79] Additionally, the record indicates that there are common purchasers of subject merchandise from Pakistan, the domestic like product, and other subject imports. Of the five purchasers that purchased both subject imports from Pakistan and domestically produced product, *** indicated that subject imports from Pakistan and the domestic like product were sometimes interchangeable, and *** indicated they were always or frequently interchangeable. *** of four purchasers that provided responses concerning subject imports from Pakistan and other subject imports stated that such imports were always or frequently interchangeable.[80]

The lack of ASTM certification of most subject imports from Pakistan does not preclude it from being used in the same applications as the domestic like product and subject imports from Oman and the UAE. CWP from each of these sources is used for fence tubing, which is the primary application for subject imports from Pakistan asserted by the Pakistan respondent.[81] Furthermore, the only CWP product that domestic producer *** produces is fence tubing.[82] A market representative from *** reports that ***.[83] The record indicates that subject imports from Pakistan share similar end finishes, surface finishes, lengths, and thicknesses as imports from Oman and the UAE and the domestic like product.[84] The pricing data indicate some overlap in product types, as there were multiple quarterly pricing observations of the domestic like product and subject imports from Oman, Pakistan, and the UAE with respect to products 1, 2, and 4 sold to distributors.[85]

In light of the foregoing, we find that imports from Oman, Pakistan, and the UAE are fungible with the domestic like product and each other, are sold in similar channels of distribution, and were simultaneously present in the U.S. market. We acknowledge that subject

[76] Indeed, Pakistan respondent argued that CWP is a commodity product and that standard pipe from most import sources is "at least physically interchangeable with domestically-produced standard pipe." Pakistan Respondent Posthearing Brief at 53-54.

[77] Tr. at 137 ("The Mill Cert states that, while it is generally manufactured to the ASTM A53-A spec, it is suitable for use only in commercial fence pipe.") (Blair).

[78] CR/PR at Table II-7.

[79] CR/PR at Table II-8.

[80] *See* Questionnaire Responses of ***. *** purchaser did not provide a response concerning interchangeability.

[81] *See, e.g.,* CR/PR at Table V-6. Pricing Product 4, which is the subject of Table V-6, is defined as "Schedule 40 galvanized fence tube, with nominal outside diameter of 1-1/4—3 inches, inclusive" and therefore is, by definition, fence tubing. CR/PR at V-6.

[82] Petitioner's Posthearing Brief at 23.

[83] Petitioner's Posthearing Brief at Exhibit 11.

[84] CR/PR at Tables IV-7-9.

[85] CR/PR at Tables V-3-4, and V-6.

imports from Pakistan generally lack ASTM certification, are perceived somewhat differently by purchasers than the domestic like product, and were distributed in a more limited geographic area than the domestic like product or the other subject imports. Nevertheless, the record indicates sufficient overlap of customers, distribution patterns, and uses between the subject imports from Pakistan and the domestic like product, as well as some perceptions of interchangeability and comparability. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and subject imports from Oman, Pakistan, and the UAE and between imports from each of these subject countries. We consequently cumulate subject imports from Oman, Pakistan, and the UAE for purposes of our analysis of material injury by reason of subject imports.

VI. Material Injury by Reason of Subject Imports

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of imports of CWP from Oman, Pakistan, and the UAE that Commerce has found to be sold in the United States at less than fair value.[86]

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[87] 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.[88] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[89] In assessing whether 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.[90] No single factor is dispositive, and all relevant factors are considered "within the

[86] Commissioners Pinkert, Broadbent, and Kieff determine that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of CWP from Pakistan found by Commerce to be sold at LTFV. *See* their Dissenting Views. They join the remainder of this opinion except where noted.

[87] 19 U.S.C. §§ 1671d(b), 1673d(b). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provisions of the Tariff Act pertaining to Commission determinations of material injury and threat of material injury by reason of subject imports in certain respects. We have applied these amendments here.

[88] 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 ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[89] 19 U.S.C. § 1677(7)(A).

[90] 19 U.S.C. § 1677(7)(C)(iii).

context of the business cycle and conditions of competition that are distinctive to the affected industry."[91]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[92] 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.[93] 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.[94]

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.[95] In performing its examination, however, the Commission need not isolate

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[91] 19 U.S.C. § 1677(7)(C)(iii).

[92] 19 U.S.C. §§ 1671d(a), 1673d(a).

[93] *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).

[94] The Federal Circuit, in addressing the causation standard of the statute, 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 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where 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).

[95] SAA at 851-52 ("{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, (Continued...)

the injury caused by other factors from injury caused by unfairly traded imports.[96] 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 as nonsubject imports, which may be contributing to overall injury to an industry.[97] It is clear that the existence of injury caused by other factors does not compel a negative determination.[98]

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

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(…Continued)
developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[96] 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.").

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

[98] *See Nippon Steel Corp*., 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.").

the subject imports."[99] [100] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[101]

The Federal Circuit's decisions in *Gerald Metals, Bratsk*, and *Mittal Steel* all involved cases where the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal 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.[102] 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

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[99] *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*.

[100] Commissioners Pinkert and Kieff do not join this paragraph or the following three paragraphs. They point out 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 rigid 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.

[101] *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.").

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

subject imports.[103] 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.[104]

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.[105] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[106]

B. Conditions of Competition and the Business Cycle

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

1. Demand Considerations

CWP is used in a variety of applications, including plumbing and structural applications, and specific applications such as electrical conduit, scaffolding components, and fencing.[107] Demand for CWP is driven by the overall U.S. economy and primarily by nonresidential construction spending, but is also impacted by residential construction spending.[108] The U.S. gross domestic product fluctuated over the POI, while nonresidential and residential construction spending increased steadily.[109] A smaller portion of CWP demand is affected by

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[103] *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).

[104] 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.

[105] 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.

[106] *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.").

[107] CR at I-4, PR at I-3.

[108] CR at II-12, PR at II-8.

[109] CR/PR at Figures II-1-2.

the oil and gas industry, which experienced large price declines starting in 2014, contributing to lower demand in this sector.[110]

A plurality of U.S. producers of CWP reported that demand increased over the POI; importers generally reported that demand was constant or fluctuated.[111] Apparent U.S. consumption of CWP increased by 10.1 percent from 2013 to 2015, but was 19.3 percent lower in interim 2016 than in interim 2015.[112] It was 1.6 million short tons in 2013, 1.7 million short tons in 2014, and 1.8 million short tons in 2015; it was 1.0 million short tons in interim 2015 and 835,407 short tons in interim 2016.[113]

2. Supply Considerations

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").[114] The domestic industry was the largest supplier to the U.S. market; its share of apparent U.S. consumption, by quantity, decreased from 58.9 percent in 2013 to 55.9 percent in 2014 and 52.0 percent in 2014; it was 48.4 percent in interim 2015 and 52.8 percent in interim 2016.[115] Of the responding U.S. producers, *** accounted for *** percent of U.S. CWP production in 2015. Other major producers included ***.[116]

The market share of cumulated subject imports from Oman, Pakistan, and the UAE, based on quantity, increased from *** percent in 2013 to *** percent in 2014 and then to *** percent in 2015; it was *** percent in interim 2015 and *** percent in interim 2016.[117] [118]

The market share of imports from sources not subject to cumulation was larger than that for cumulated subject imports. It was *** percent in 2013 and 2014, *** percent in 2015, *** percent in interim 2015, and *** percent in interim 2016.[119] [120] Korea was the largest source of imports from other sources during the POI.[121] Other major sources of such imports

[110] CR at II-12-13, PR at II-9.

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

[112] CR at IV-25, PR at IV-15; CR/PR at Table IV-12.

[113] CR/PR at Table IV-12.

[114] Imports from other sources include imports from Vietnam.

[115] CR/PR at Table IV-13.

[116] CR/PR at Table III-1.

[117] CR/PR at Table IV-13.

[118] For the analysis by Commissioners Pinkert, Broadbent, and Kieff, the market share of cumulated imports from Oman and the UAE, based on quantity, increased from *** percent in 2013 to *** percent in 2014 and then to *** percent in 2015; it was *** percent in interim 2015 and *** percent in interim 2016. The market share of subject imports from Pakistan increased from *** percent in 2013 to *** percent in 2014, and then to *** percent in 2015; it was *** percent in interim 2015 and *** percent in interim 2016.

[119] CR/PR at Table IV-13.

[120] For the analysis by Commissioners Pinkert, Broadbent, and Kieff, the market share of imports from other sources not subject to cumulation, including Pakistan, was *** percent in 2013, *** percent in 2014, *** percent in 2015, and was *** percent in interim 2015 and *** percent in interim 2016.

[121] CR/PR at Table IV-2.

were Canada and Mexico.[122] U.S. imports from Brazil, China, India, Korea, Mexico, Taiwan, Thailand, and Turkey are subject to antidumping and/or countervailing duty orders.[123]

3. Substitutability and Other Conditions

The record indicates that there is a moderate degree of substitutability between domestically produced CWP and CWP imported from subject sources.[124] The record also indicates that price is an important factor in purchasing decisions. Price/cost was ranked the most important factor in purchasing decisions by the largest number of purchasers, and *** responding purchasers reported that they usually purchase the lowest-priced product.[125] Purchasers reported that quality and availability were the next two most important factors affecting purchasing decisions.[126]

Raw materials accounted for approximately 70 percent of the cost of goods sold ("COGS") for domestically produced CWP during the POI.[127] The chief material inputs used to produce CWP are hot-rolled steel and zinc (for galvanized products).[128] During much of the POI, prices for the primary raw materials were declining; hot-rolled steel prices declined by nearly 40 percent from January 2013 to December 2015 while prices for zinc declined by nearly 20 percent.[129] Beginning in early 2016, however, prices for both hot-rolled steel and zinc increased, returning to early 2013 levels.[130]

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."[131]

The volume and market share of cumulated subject imports from Oman, Pakistan, and the UAE increased from 2013 to 2015. The volume of cumulated subject imports rose from *** short tons in 2013 to *** short tons in 2014 and *** short tons in 2015. The subject volume was *** short tons in interim 2015 and *** short tons in interim 2016.[132] Cumulated subject imports increased their share of apparent U.S. consumption from *** percent in 2013 to *** percent in 2014 and *** percent in 2015; the share was *** percent in interim 2015 and ***

[122] CR at VII-44, PR at VII-25.
[123] CR/PR at Table I-2.
[124] CR at II-19, PR at II-13.
[125] CR at II-21, PR at II-15; CR/PR at Table II-6.
[126] CR/PR at Table II-6.
[127] CR/PR at V-1.
[128] CR/PR at V-1.
[129] CR/PR at V-1.
[130] CR/PR at V-1.
[131] 19 U.S.C. § 1677(7)(C)(i).
[132] CR/PR at Table IV-2.

percent in interim 2016.[133] This increase in market share came at the expense of the domestic industry, whose market share decreased from 58.9 percent in 2013 to 55.9 percent in 2014 and 52.0 percent in 2014; it was 48.4 percent in interim 2015 and 52.8 percent in interim 2016.[134] We acknowledge that the volume and market share of cumulated subject imports were lower in interim 2016 than in interim 2015; nevertheless, the market share of cumulated subject imports in 2016 was still higher – and that of the domestic industry still lower – than at the beginning of the POI.[135]

We find that the volume of cumulated subject imports and the increase in the volume of cumulated subject imports are significant, both in absolute terms and relative to consumption.[136]

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the 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.[137]

As noted above, the record shows a moderate degree of substitutability between domestically produced CWP and CWP imported from cumulated subject sources.

Six domestic producers and 20 importers of cumulated subject merchandise provided usable quarterly price data for four CWP products.[138] Cumulated subject imports from Oman,

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[133] CR/PR at Table IV-13.

[134] CR/PR at Table IV-13.

[135] In light of this, we have not reduced the weight we have accorded to data for interim 2016.

[136] For the volume analysis by Commissioners Pinkert, Broadbent, and Kieff, the volume and market share of cumulated subject imports from Oman and the UAE increased from 2013 to 2015. The volume of cumulated subject imports increased from *** short tons in 2013 to *** short tons in 2014 and *** short tons in 2015. The volume was *** short tons in interim 2015 and lower, at *** short tons, in interim 2016. The cumulated imports increased their share of apparent U.S. consumption from *** percent in 2013 to *** percent in 2014 and *** percent in 2015; it was *** percent in interim 2015 and *** percent in interim 2016. CR/PR at Table IV-2 and Table IV-12. They find the volume and the increase in the volume of cumulated subject imports from Oman and the UAE to be significant, both in absolute terms and relative to consumption.

[137] 19 U.S.C. § 1677(7)(C)(ii).

[138] CR at V-6, PR at V-4-5. Product 1 is ASTM A-53 schedule 40 black plain-end, with nominal outside diameter of 2-4 inches inclusive; Product 2 is ASTM A-53 schedule 40 galvanized plain-end, with nominal outside diameter of 2-4 inches inclusive; Product 3 is ASTM A-53 schedule 40 black plain-end, (Continued...)

Pakistan, and the UAE undersold the domestic like product in 101 of 134 quarterly comparisons, at average margins ranging from *** percent.[139] On a volume basis, 166,888 short tons of cumulated subject imports were involved in underselling comparisons while 6,959 short tons were involved in overselling comparisons.[140] This underselling caused sales to shift from the domestic industry to cumulated subject imports, resulting in the 2013 to 2015 market share gain by subject imports noted above.[141] Responses to the lost sales/lost revenues survey indicated that 26 purchasers shifted supply sources from the domestic like product to cumulated subject imports during the POI and that 15 of these purchasers reported that price was a primary reason for this shift.[142]

We acknowledge that 35 of 49 responding purchasers reported they are willing to pay a price premium for domestically produced CWP.[143] Of the purchasers that reported they would pay such a price premium, many qualified their responses by stating that the decision to purchase domestically produced CWP and pay a premium is driven by the customer, source of funding, and job specifications.[144] We note, however, that 30 of the 49 responding purchasers stated that they either were not willing to pay any price premium or would only be willing to pay a price premium of 10 percent or less.[145] Thus, to the extent that purchasers indicated they would pay a premium for domestically produced product, we find that this would not necessarily occur in all instances nor would it be at a level that would fully account for the difference in price observed between the domestic like product and subject imports. In light of the predominant underselling at high margins and the importance of price in purchasing decisions, the substantial number of purchasers who shifted from the domestic like product to

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(…Continued)
with nominal outside diameter of 6-8 inches inclusive; and Product 4 is galvanized fence tube, with nominal outside diameter of 1-1/4 – 3 inches, inclusive. *Id*.

Reported pricing data account for approximately *** percent of domestic producers' U.S. commercial shipments in 2015, *** percent of U.S. commercial shipments of subject imports from Oman, *** percent of U.S. commercial shipments of subject imports from Pakistan, and *** percent of U.S. commercial shipments of subject imports from the UAE. CR at V-6, PR at V-5.

[139] CR/PR at Table V-8.

[140] CR/PR at Table V-8.

[141] *See* CR/PR at Table IV-13. As previously discussed, in interim 2016 cumulated subject imports' market share was higher and the domestic industry's market share was lower than it was in 2013.

[142] These purchasers indicated that they shifted 37,803 short tons of subject merchandise from the domestic like product to subject imports from Oman, Pakistan, and the UAE. CR/PR at Table V-11.

[143] *E.g.,* Pakistan Respondent Posthearing Brief at 36, Answers to Questions. Respondents point to purchaser responses on the record that they estimate show an average price premium of 18.6 percent, which is nearly equivalent to the average margin of underselling for the four pricing products for which data were collected. UAE Respondents' Posthearing Brief at 6-7.

[144] Pakistan Respondent Prehearing Brief at Exhibit 11 (compiling purchaser responses) ("There is no specific percent more involved with this if that's what the customer wants"; "depends on the job + spec[ifications] required").

[145] CR at II-26, PR at II-18; *see, e.g.,* Pakistan Respondent Prehearing Brief at Exhibit 11; average margin of underselling derived from CR/PR at Table V-8.

the subject imports due to their lower price, and the domestic industry's overall loss of market share to the cumulated subject imports, we find the underselling to be significant.[146]

We have also examined changes in prices for the domestic like product and cumulated subject imports. Prices for domestic CWP showed declines ranging between *** percent over the POI for all pricing products except Product 4.[147] Prices for cumulated subject imports generally fell more, with declines ranging between *** percent over the POI for all pricing products, with the exception of Pricing Product 4 from the UAE which showed an increase in prices.[148] [149] Raw materials accounted for nearly three-quarters of COGS for CWP during the POI, and raw material prices declined irregularly over the POI, with prices for hot-rolled steel falling by nearly 40 percent.[150] Because the observed price declines reflect the substantial drop in raw materials costs, we are unable to find that cumulated subject imports depressed prices of the domestic like product to a significant degree.

We have also examined whether cumulated subject imports prevented price increases that otherwise would have occurred during the POI. The domestic industry's ratio of COGS to net sales, while high, improved over the POI. It was 90.2 percent in 2013, 91.0 percent in 2014, and 88.1 percent in 2015; it was 91.7 percent in interim 2015 and 73.4 percent in interim 2016.[151] In light of the improving ratio of COGS to net sales, we do not find that cumulated subject imports prevented price increases that would have otherwise occurred to a significant degree.

In sum, we find that there was significant underselling of the domestic like product by cumulated subject imports, which had the effect of increasing the market share of cumulated subject imports at the expense of the domestic industry.

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[146] For the price analysis of Commissioners Pinkert, Broadbent, and Kieff, six producers and 15 importers of cumulated subject imports from Oman and the UAE provided usable pricing data for four CWP products, although not all firms reported pricing for all products for all quarters. Cumulated subject imports from Oman and the UAE undersold the domestic like product in 79 of 101 quarterly comparisons, at average margins ranging from *** percent. On a volume basis, *** short tons of cumulated subject imports were involved in underselling comparisons while *** short tons were involved in overselling comparisons. CR/PR at Table V-8. They find the underselling by cumulated subject imports from Oman and the UAE to be significant.

[147] CR/PR at Table V-7.

[148] CR/PR at Table V-7.

[149] For the analysis by Commissioners Pinkert, Broadbent, and Kieff, prices for cumulated subject imports showed declines ranging between *** percent over the POI in Pricing Products 1-3, and price increases of *** percent for Pricing Product 4 from the UAE.

[150] 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 20 percent, respectively, over the POI. CR/PR at V-1.

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

E. Impact of the Subject Imports[152]

Section 771(7)(C)(iii) of the Tariff Act provides that in examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[153] 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 capital, ability to service debts, 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."[154]

During the POI, the domestic industry benefitted to some extent from increasing demand and lower costs, but the presence of the significant volume of low-priced cumulated subject imports hampered production, shipments, and net sales. Wheatland reported that it idled its Pennsylvania plant in 2015, *** reported a ***, and Allied closed one of its plants.[155] By contrast, three domestic producers reported expansions.[156] The domestic industry's capacity increased slightly throughout the POI. It was 3,978,890 short tons in 2013, 4,003,478 short tons in 2014, and 4,009,337 short tons in 2015; it was 2,077,966 short tons in interim 2015 and 2,149,261 short tons in interim 2016.[157] Production declined over the POI, from 1,009,640 short tons in 2013 to 991,816 short tons in 2014 and 978,804 short tons in 2015; it was 541,011 short tons in interim 2015 and 459,309 short tons in interim 2016.[158] Because production declined while capacity increased, capacity utilization declined from 67.5 percent in

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[152] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at less value Commerce found antidumping duty margins of 11.80 percent for imports from Pakistan, 7.24 percent for imports from Oman, and 5.58 to 6.43 percent for imports from the UAE. 81 Fed. Reg. 75026 (Oct. 28, 2016) (Oman); 81 Fed. Reg. 75028 (Oct. 28, 2016) (Pakistan); 81 Fed. Reg. 75030 (Oct. 28, 2016) (UAE). We take into account in our analysis the fact that the Department of Commerce found that producers in each of the subject countries are selling subject imports in the United States at less than fair value. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling of the cumulated subject imports and the effects of that underselling, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

[153] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[154] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[155] Allied reported that it ***. CR at III-4 and III-8, PR at III-3.

[156] CR at III-4, PR at III-3.

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

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

2013 to 64.0 percent in 2014 and 49.7 percent in 2015; it was 54.8 percent in interim 2015 and 41.9 percent in interim 2016.[159] Domestic producers' U.S. shipments declined from *** short tons in 2013 to *** short tons in 2014 and *** short tons in 2015; they were *** short tons in interim 2015 and *** short tons in interim 2016.[160] Inventories also declined from 131,792 short tons in 2013 to 112,638 short tons in 2014 and 92,899 short tons in 2015; they were 143,204 short tons in interim 2015 and 87,186 short tons in interim 2016.[161]

The domestic industry's employment indicators improved slightly overall during the POI. The number of production and related workers, total hours worked, and wages paid increased, although productivity declined.[162]

The domestic industry's financial indicators were mixed throughout most of the POI, but showed significant improvements in interim 2016 in a number of these indicators. The value of net sales declined from $1.0 billion in 2013 and 2014 to $917.8 million in 2015; it was $481.2 million in interim 2015 and $398.6 million in interim 2016.[163] The domestic industry's operating income was $16.2 million in 2013, $18.9 million in 2014, and $31.0 million in 2015; it was $161,000 in interim 2015 and $66.0 million in interim 2016.[164] Its operating income ratio was 1.6 percent in 2013, 1.9 percent in 2014, and 3.4 percent in 2015; it was 0.03 percent in interim 2015 and 16.6 percent in interim 2016.[165] The domestic industry's reported capital expenditures and research and development expenses were irregular and declined overall during the POI. Capital expenditures and research and development expenses were reported in each year of the POI, but changed little overall.[166]

We find that cumulated subject imports had a significant impact on the domestic industry. When cumulated subject imports increased their share of the U.S. market from 2013 to 2015, they took market share away from the domestic industry through significant

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

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

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

[162] CR/PR at Table III-9. The domestic industry employed 1,225 workers in 2013, 1,252 workers in 2014, and 1,280 workers in 2015; it employed 1,364 workers in interim 2015 and 1,133 workers in interim 2016. Total hours worked were 2.6 million in 2013, 2.5 million in 2014, and 2.7 million in 2015; they were 1.4 million in interim 2015 and 1.1 million in interim 2016. Wages paid increased from $75.3 million in 2013 to $76.8 million in 2014 and $87.3 million in 2015; they were $44.9 million in interim 2015 and $47.4 million in interim 2016. Productivity, in short tons per 1,000 hours, increased from 383.3 in 2013 to 394.7 in 2014, and then declined to 362.0 in 2015; it was 377.3 in interim 2015 and 436.2 in interim 2016. *Id*.

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

[164] CR/PR at Table VI-1. The domestic industry's gross profits were $102.5 million in 2013, $90.4 million in 2014, and $108.8 million in 2015; they were $39.8 million in interim 2015 and $105.9 million in interim 2016. The domestic industry's net income fluctuated during the POI. The domestic industry reported ***. *Id*.

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

[166] CR/PR at Table VI-4. Capital expenditures were $*** in 2013, $*** in 2014, and $*** in 2015; they were $*** in interim 2015 and $*** in interim 2016. Research and development expenses were $*** in 2013, $*** in 2014, and $*** in 2015; they were $*** in interim 2015 and $*** in interim 2016. *Id*.

underselling. The domestic industry's output and shipments declined from 2013 to 2015 despite stronger apparent U.S. consumption. As a result of lost market share, the domestic industry's production, shipments, and net sales revenues were lower than they would have been absent subject import competition. When the presence of cumulated subject imports was at lower, albeit still significant, levels in interim 2016, the domestic industry recovered some lost market share, although its market share was still lower in interim 2016 than in 2013. The domestic industry's financial indicators showed notable improvement in interim 2016.[167]

We have considered whether there are other factors that may have had an impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. Imports from other sources increased in volume from 2013 to 2015. They increased from *** short tons in 2013 to *** short tons in 2014 and *** short tons in 2015; they were *** short tons in interim 2015 and *** short tons in interim 2016.[168] Although these other imports gained *** percentage points of market share between 2014 and 2015, cumulated subject imports increased their market share from 2013 to 2015 by a greater amount, *** percentage points.[169] Petitioners acknowledge that imports from other sources and falling raw material prices impacted the domestic industry and the prices it charged but argue that such factors fail to explain all the injury that the domestic industry suffered during the POI.[170] We agree and find that any adverse effects from either imports from other sources or falling raw materials costs cannot explain the magnitude of the domestic industry's losses in market share and the consequent adverse impact described above.

For the foregoing reasons, we conclude that a domestic industry in the United States has been materially injured by reason of cumulated subject imports from Oman, Pakistan, and the UAE that are sold at less than fair value.[171]

VII. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of cumulated subject imports of CWP from Oman, Pakistan, and the UAE that are sold in the United States at less than fair value. We also determine that imports from Pakistan that are subsidized by the government of Pakistan and imports from Vietnam that are sold at less than fair value are negligible.

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[167] We note that the domestic industry was able to improve notwithstanding decreased demand in interim 2016. We also observe that demand for CWP does not track with the oil and gas sector. *Compare* CR/PR Figure II-3 with Table IV-13.

[168] CR/PR at Table IV-2.

[169] *See* CR/PR at Table IV-13.

[170] Petitioner Posthearing Brief at 5-6.

[171] Commissioners Pinkert, Broadbent, and Kieff determine that an industry in the United States is materially injured by reason of cumulated subject imports of CWP from Oman and the UAE that are sold in the United States at less than fair value. They determine that an industry in the United States is neither materially injured nor threatened with material injury by reason of subject imports of CWP from Pakistan. *See* their dissenting views.

Dissenting Views of Commissioners Pinkert, Broadbent, and Kieff With Respect to Less-Than-Fair-Value Imports from Pakistan

Based on the record in these investigations, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of circular welded carbon-quality steel pipe ("CWP") from Pakistan that have been determined by the U.S. Department of Commerce ("Commerce") to be sold at less than fair value.[1] Except as otherwise noted, we join the Commission's Views. We write separately concerning the lack of material injury and threat of material injury by reason of subject imports from Pakistan sold at less than fair value.

I. CUMULATION

For the following reasons, we find that imports from Pakistan should not be cumulated with imports from Oman and the United Arab Emirates ("UAE"). As discussed in the Commission's Views, the Commission, in considering whether to cumulate subject imports from different countries, examines certain factors in order to determine whether there is a "reasonable overlap of competition" between the imports from each of the subject countries and between those imports and the domestic like product. Generally, the Commission has looked at four factors in its analysis of a reasonable overlap of competition: the degree of fungibility between imports from each of the subject countries and between subject imports and the domestic like product; whether subject imports overlap in geographic areas within the U.S. market; the extent to which subject imports were simultaneously present in the U.S. market during the period of investigation ("POI"); and whether subject imports and the domestic like product share similar channels of distribution.

In these investigations, the record demonstrates that there is no reasonable overlap of competition between imports from Pakistan and either imports from Oman and the UAE or the domestic like product. Specifically, imports from Pakistan are not fungible with the other subject imports or the domestic like product. This lack of fungibility consequently limits sales of imports from Pakistan to the commercial fence tubing market, a small segment of the overall CWP market in the United States.[2]

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[1] As discussed in the Commission's Views, we join our colleagues in finding that imports of CWP from Pakistan that Commerce has determined are subsidized by the government of Pakistan are negligible.

[2] Under the Commission's "reasonable overlap of competition" analysis, no one factor is necessarily dispositive. We observe that imports of CWP from Pakistan were present in the U.S. market at simultaneous times as imports from Oman and the UAE and the domestic like product. We also note that imports from Pakistan also had some geographic overlap with imports from Oman and the UAE.

However, the record shows limited overlap with channels of distribution, as *** percent of imports of CWP from Pakistan were imported directly by *** in 2015, while imports from Oman and the UAE were sold to multiple distributors and end-users. CR at IV-14, Table IV-1. Indeed, *** did not report purchasing any CWP from either Oman or the UAE. CR at IV-14, Table IV-1. On balance, we find that this limited overlap in channels of distribution and lack of fungibility warrants not cumulating Pakistan with the other subject countries.

One Pakistani company – International Industries, Ltd. ("IIL") – produced the vast majority of Pakistani CWP that was imported into the United States during the period of investigation.[3] The record clearly shows that imports from IIL were suitable for use only as commercial fence tubing,[4] while imports from Oman and the UAE and the domestic like product were suitable for multiple end-use applications beyond commercial fence tubing. Thus, imports from Pakistan were relegated to sales in a very small portion of the overall U.S. market for CWP, while CWP from Oman, the UAE, and the domestic like product were not.[5]

Although IIL asserts that its product that is imported into the United States technically satisfies the ASTM A53 specification, it does not undergo the testing necessary for the ASTM A53 certification. This lack of official certification prohibits its use in applications that require ASTM certifications. In fact, IIL concedes and the record reflects that Pakistani CWP is produced to no formal standards.[6] By contrast, shipments of the domestic like product during the period of investigation were comprised of CWP meeting the ASTM A53 certification or, to a lesser extent, the ASTM A135, ASTM A795, and other specifications.[7] Only *** percent of U.S. shipments of the domestic like product were comprised of product that met no formal standards.[8] Moreover, the *** of U.S. shipments of imports from Oman and the UAE were of product meeting the ASTM A53 standard, and *** were of product that met no formal standards.[9]

In addition to lacking ASTM certification, imports from Pakistan during the period of investigation were not certified as being lead-free under the Safe Drinking Water Act, which rendered them unusable for transporting drinking water.[10] Certification as lead-free was reported by a significant number of purchasers responding to the Commission's questionnaires to be an important factor in their purchasing decisions.[11] U.S.-produced CWP and imports from other subject countries generally met this requirement.[12] Consequently, the lack of certification for imports from Pakistan further prohibited their use in end-use applications outside of commercial fencing.[13]

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[3] CR at II-9 n.14; IIL's Prehearing Brief at 34. IIL asserts that it accounted for all exports from Pakistan during the period of investigation and disputes as incorrect the small volumes of imports from Pakistan that were reported by one importer. IIL's Prehearing Brief at 34 n.134. This small apparent discrepancy does not affect our analysis with respect to cumulation in these investigations.

[4] IIL's Prehearing Brief at 34; IIL's Posthearing Brief at 8. IIL's mill certificate for this product explicitly limits its commercial end use to fence pipe. IIL's Posthearing Brief at 77 and Ex. 11.

[5] *See* IIL's Posthearing Brief, Responses to Questions, at 77-78.

[6] *Id.* "From Pakistan, *** percent of CWP imports were made to no formal industry standards." CR at IV-14 and Table IV-6.

[7] CR at IV-14 and Table IV-6.

[8] *Id.*

[9] *Id.*

[10] IIL's Prehearing Brief at 34-35; IIL's Posthearing Brief at 8-9, Responses to Questions at 79-82.

[11] CR at Table II-7 (of 52 responding purchasers, 13 indicated that this factor was "very" important, and 12 indicated it was "somewhat" important).

[12] IIL's Prehearing Brief at 34; IIL's Posthearing Brief at 8-9.

[13] IIL's Posthearing Brief, Responses to Questions, at 79-82.

In looking at the fence tubing market segment specifically, it appears that a significant portion of the fence tubing sold by domestic producers was sold as a higher grade product than that produced to the A53 standard.[14] Pakistani product, which is produced to no formal standards, would not be fungible or competitive with this higher grade product.

The Commission's pricing product data further bolster the conclusion that imports from Pakistan compete in a very limited market and do not reasonably overlap with the domestic like product and imports from other subject countries. Reported prices for U.S. shipments of imports of CWP produced by IIL relate only to Product 4 (Schedule 40 galvanized fence tube, with nominal outside diameter of 1-1/4 – 3 inches, inclusive).[15] The quantities reported by domestic producers for U.S. shipments of Product 4 constituted only *** percent of their overall U.S. shipments over the period.[16] The only other subject country significantly competing for sales of this product was the UAE. U.S. shipments of imports of Product 4 from the UAE accounted for only *** percent of overall imports from that country.[17]

We are not persuaded by the questionnaire responses that reported comparability across various purchasing factors between imports from Pakistan and imports from Oman and the UAE, and the domestic like product. We note that a small number of purchasers reported that imports from Pakistan were comparable to imports from the other subject sources and the domestic like product across various purchasing factors.[18] A plurality of purchasers reported that subject imports from Pakistan were only "sometimes" interchangeable with the domestic like product.[19] Only one purchaser, ***, indicated both that it purchased imports from Pakistan and considered such imports to be "always" interchangeable with other imports and the domestic like product.[20] This single purchaser's response is not sufficient to establish a significant degree of fungibility between imports from Pakistan and either other subject imports or the domestic like product. Moreover, the questionnaire responses reveal that most U.S. purchasers do not have an intimate knowledge of the Pakistani product. Forty-three purchasers indicated marketing or pricing familiarity with the domestic like product, and ten or more indicated such familiarity with imports from each of the other subject countries, but only two purchasers indicated such familiarity with respect to subject imports from Pakistan. Consequently, this lack of intimate knowledge of the Pakistani product belies many of the U.S. purchasers' questionnaire responses regarding comparability.[21]

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[14] IIL's Prehearing Brief at 36-37; IIL's Posthearing Brief, Responses to Questions, at 78-79, 83-86, and Exhibits 11 and 12; Tr. at 138-39 (Mr. Blair), 142 (Mr. Planert).

[15] As noted above, IIL disputes as incorrect the small volumes of imports from Pakistan reported by one importer, which are categorized as pricing products other than Product 4. IIL's Prehearing Brief at 34 n.134. We do not find that that small apparent discrepancy affects our analysis with respect to cumulation in these investigations.

[16] CR at Tables III-6 and V-6.

[17] *Id*. at Tables IV-2 and V-6.

[18] *Id.* at Table II-9.

[19] *Id.* at Table II-10.

[20] U.S. Purchasers' Questionnaire Response of ***

[21] CR at II-20.

Based on the foregoing, we find that there is no reasonable overlap of competition between imports from Pakistan and either imports from Oman and the UAE or the domestic like product. Therefore, we determine material injury or threat of material injury with respect to imports from Pakistan separately from our determination with respect to imports from Oman and the UAE.

II. NO MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM PAKISTAN SOLD AT LESS-THAN-FAIR-VALUE

A. 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."[22]

We observe that subject imports from Pakistan increased between 2013 and 2015. However, in looking at both the absolute volume and volume relative to apparent U.S. consumption, subject imports from Pakistan remained at low levels throughout the POI. Subject imports from Pakistan increased from *** short tons in 2013 to *** short tons in 2014, and then increased further to *** short tons in 2015.[23] As discussed in the analysis of negligibility within the Views of the Commission, these volumes never accounted for more than 4 percent of total imports throughout the POI.[24] As a share of apparent U.S. consumption, subject imports from Pakistan only increased from *** percent in 2013 to *** percent in 2015[25] and remained limited to the fence tubing segment of the market due its lack of certifications for use in other applications.[26] Subject imports from Pakistan were not substantial compared to U.S. production, equating to *** percent of U.S. production in 2013, *** percent in 2014, and *** percent of U.S. production in 2015.[27]

In light of the foregoing, we do not find either the volume of subject imports from Pakistan or the increase in that volume to be significant in absolute terms or relative to consumption and production in the United States.

B. Price Effects of the Subject Imports

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

[22] 19 U.S.C. § 1677(7)(C)(i).

[23] CR/PR at Table IV-2. Subject imports from Pakistan decreased from *** short tons in the January – June (interim) 2015 period to *** short tons in interim 2016.

[24] CR/PR at Tables IV-2-4.

[25] CR/PR at Table C-1. Subject imports from Pakistan held a market share of *** percent in interim 2015 and *** percent in interim 2016.

[26] IIL's Posthearing Brief, Responses to Questions, at 79-82.

[27] CR/PR at Table IV-2. Subject imports from Pakistan equated to *** percent of U.S. production in interim 2015 and *** percent in interim 2016.

(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.[28]

As discussed in section VI.B.3 of the Views of the Commission, we find that there is a limited degree of substitutability between domestically produced CWP and CWP imported from Pakistan.

Within the pricing product data collected by the Commission, the vast majority of subject imports from Pakistan were of sales of Product 4 (Schedule 40 galvanized fence tube, with nominal outside diameter of 1-1/4 – 3 inches, inclusive) to distributors.[29] For this product, subject imports from Pakistan consistently undersold the domestic like product in each quarter of the POI.[30] As discussed above regarding the lack of fungibility between the domestic like product and subject imports from Pakistan, the domestic like product was generally sold at a higher price due to its being considered a superior grade commercial fence tubing, rather than an ungraded and uncertified product imported from Pakistan. Consequently, although there was a prevalence of underselling by subject imports from Pakistan, we do not find it to be significant. This underselling did not result in substantial market share shifting away from the domestic like product to subject imports from Pakistan. Although some U.S. purchasers reported shifting purchases to subject imports from Pakistan during the period, the reported quantity of such shifts was quite small relative to apparent U.S. consumption,[31] and most purchasers reported that factors other than price were the cause of these shifts. In particular, the purchaser ***[32] reported that it had shifted to subject imports from Pakistan because of its need for a different product, not because of price.[33]

We do not find price depression by reason of subject imports from Pakistan, which were primarily limited to a single pricing product and did not cause U.S. producers to reduce their prices for that product. Although subject imports from Pakistan undersold the domestic like product in product 4 sales to distributors by margins ranging from *** percent, U.S. prices for that product slightly increased, rising by *** percent between January 2013 and June 2016.[34]

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[28] 19 U.S.C. § 1677(7)(C)(ii).

[29] Subject imports from Pakistan were present in *** in pricing products 1-3. CR/PR at Tables V-3-5. We place limited weight on price comparisons within products 1-3 for purposes of analyzing underselling by subject imports from Pakistan.

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

[31] Purchasers reported shifting only 3,959 short tons to imports from Pakistan, in a market that had apparent U.S. consumption of 1.8 million short tons in 2015. CR/PR at Table V-11 and Table C-1.

[32] Purchaser *** accounted for *** percent of reported purchases of Pakistani product during January 2013-September 2016. *See* Questionnaire Response of ***, EDIS Doc. No. 588197 (Aug. 16, 2016) at Question II-1 (indicating purchase volume) and CR/PR at Table IV-2.

[33] CR/PR at Table V-10.

[34] CR/PR at Tables V-6-7.

In addition, no U.S. purchaser reported that U.S. producers reduced prices in order to compete with subject imports from Pakistan.[35] We therefore do not find that subject imports from Pakistan depressed U.S. producers' prices to a significant degree.

We have also examined whether subject imports from Pakistan caused price suppression during the POI. The domestic industry's ratio of cost of goods sold ("COGS") to net sales improved over the POI. It was 90.2 percent in 2013, 91.0 percent in 2014, and 88.1 percent in 2015; it was 91.7 percent in interim 2015 and 73.4 percent in interim 2016.[36] Unlike the industry's average unit value of net sales as well as the industry's underlying raw material costs, which decreased over the POI,[37] the U.S. price for product 4 increased.[38] We do not find that subject imports from Pakistan prevented price increases that would have otherwise occurred to a significant degree.

In sum, we find that the subject imports from Pakistan did not have either price depressing or price suppressing effects on domestic prices during the POI. Although subject imports from Pakistan did capture small volumes of sales, these were of minor magnitude and were likely gained for non-price reasons. Accordingly, we do not find significant price effects by reason of subject imports from Pakistan.

C. Impact of the Subject Imports[39]

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, profits, cash flow, return on investment, ability to raise capital, 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."

As discussed in section VI.E. of the Views of the Commission, which we join with respect to subject imports from Oman and the UAE, the U.S. industry's output and financial indicia exhibited mixed trends during the POI, with capacity, employment indicators, and gross, operating, and net income increasing, while production, U.S. shipments, capacity utilization, and net sales decreased. The domestic industry lost market share, and as a result the industry's production, shipments, and net sales were lower than they would have been otherwise. However, the record in the final phase of these investigations does not indicate that the industry's loss of market share was caused by the presence of subject imports from Pakistan.

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[35] Table V-13.

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

[37] CR/PR at V-1 and Table VI-1.

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

[39] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at less value Commerce found an antidumping duty margin of 11.80 percent for imports from Pakistan. 81 Fed. Reg. 75028 (Oct. 28, 2016) (Pakistan). We note that these margins are not *de minimis* and consider them in the totality of our impact analysis.

As previously discussed, subject imports from Pakistan remained at low volumes throughout the period of investigation, did not increase significantly, and did not contribute substantially to the industry's loss of market share.[40] Subject imports from Pakistan only increased within the limited market for ungraded fence tubing, and purchasers indicated that they had increased purchases of subject merchandise from Pakistan for primarily non-price reasons. In light of the lack of significant volumes of subject imports from Pakistan and the lack of significant effects on the domestic industry's prices, we find that subject imports from Pakistan did not cause the domestic industry's loss of market share nor the industry's inability to gain additional sales a result of the increase in apparent U.S. consumption during the POI. Rather, for the reasons discussed in section VI.E in the Views of the Commission, we find that the injury suffered by the domestic industry was caused by CWP imports from Oman and the UAE.

In view of the foregoing, we find that subject imports from Pakistan have not had a significant impact on the domestic industry. We accordingly determine that the domestic industry is not materially injured by reason of subject imports from Pakistan.

III. NO THREAT OF MATERIAL INJURY BY REASON OF DUMPED SUBJECT IMPORTS FROM PAKISTAN SOLD AT LESS-THAN-FAIR-VALUE [41]

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the domestic industry is threatened with material injury by reason of the subject imports by analyzing 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."[42] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.[43] In making our determination, we consider all statutory threat factors that are relevant to this investigation.[44]

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[40] CR/PR at Table C-1. The market share of subject imports from Pakistan increased by *** percentage points between 2013 and 2015, while that of all other imports of CWP increased by *** percentage points.

[41] We found above that dumped subject imports from Pakistan do not compete with the domestic like product and subject imports from Oman and the UAE. Consequently, subject imports from Pakistan cannot be cumulated with other subject imports for purposes of threat analysis. 19 U.S.C. 1677(7)(H).

[42] 19 U.S.C. § 1677(7)(F)(ii).

[43] 19 U.S.C. § 1677(7)(F)(ii).

[44] These factors are as follows: (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 WTO Subsidies and Countervailing Measures Agreement ("WTO SCM 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

B. Analysis

1. Likely Volume

Subject imports from Pakistan increased over the period of investigation, but neither the volume nor the increase in the volume of subject imports from Pakistan was significant. As discussed in the negligibility discussion in the Views of the Commission, subject imports from Pakistan increased only modestly as a share of total imports between 2014 and 2015, declined between interim periods,[45] and do not have the potential to imminently exceed the 4 percent threshold for establishing negligibility in CVD investigations. Unlike what was reported for all other subject sources, U.S. importers did not report any arranged imports from Pakistan beyond June 2016,[46] and held only trace volumes of inventories of subject merchandise from Pakistan.[47]

Although the Pakistani industry increased its output and exports to the United States during the period of investigation, it appears that its ability to increase its exports to the United States beyond current levels is limited. The Pakistani industry's reported capacity remained constant throughout the POI, and its capacity utilization reached *** percent in 2015 and *** percent in interim 2016.[48] Moreover, Pakistan has a limited ability to shift additional

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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; (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). 19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume, price, and impact framework that applies to our material injury analysis. Statutory threat factors (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable in these investigations, and statutory factor (I) does not apply in the investigation of imports from Pakistan that are sold at less-than-fair value.

[45] CR/PR at Table IV-2.

[46] CR/PR at Table VII-25.

[47] CR/PR at Table VII-24.

[48] CR/PR at Table VII-7. The Commission received one usable response to its foreign producer questionnaire from IIL, which accounted for all or virtually all exports from Pakistan to the United States during the POI. According to IIL, it is the only Pakistani producer capable of exporting to the United States. Other Pakistani producers of CWP are focused on the domestic market due to the nature of their

production to CWP. The Pakistani industry's production of CWP accounted for an increasing share of total production on equipment shared with other products, reaching *** percent of overall production in 2015 and *** percent in interim 2016.[49] Inventories held by the Pakistani industry as a share of total shipments remained relatively constant throughout the POI.[50] Its exports to countries other than the United States remained constant as a share of the industry's total shipments,[51] and were shipped at a higher average unit value than exports to the United States.[52]

In sum, we find that while the industry in Pakistan increased its output and exports to the United States commensurate with the increase in subject imports from Pakistan that occurred during the POI, the increase in subject imports from Pakistan slowed and reversed itself during the latter portion of the POI. The industry in Pakistan has little additional capacity to ship subject merchandise to the United States. As discussed above, subject imports from Pakistan did not increase significantly or reach significant volumes during the POI, and we do not find it likely that subject imports would increase significantly in the imminent future.

2. Likely Price Effects

As detailed above, we have found that subject imports from Pakistan neither depressed nor suppressed prices for the domestic like product to a significant degree during the POI, nor have we found that there was significant underselling by subject imports. Because the volume of subject imports will likely not increase significantly, and because conditions of competition will likely not change substantially, there is also no basis to find significant price effects in the imminent future. We consequently find that the subject imports are unlikely to enter at prices that would have significant depressing or suppressing effects on domestic prices, or that would likely increase demand for further imports.

3. Likely Impact

We have found above that the domestic industry was not injured by reason of subject imports from Pakistan. Nothing in the record of these investigations gives us reason to believe that subject imports from Pakistan would likely have a significant adverse impact on the condition of the domestic industry in the imminent future. We further find that subject imports from Pakistan have had no significant actual or potential negative effects on the existing development and production efforts of the domestic industry.[53]

In view of the foregoing, we conclude that an industry in the United States is not threatened with material injury by reason of subject imports from Pakistan.

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facilities and since their distance from ports makes importing raw material unviable. CR at VII-10.

[49] CR/PR at Table VII-8.

[50] CR/PR at Table VII-7.

[51] CR/PR at Table VII-7.

[52] CR/PR at Table VII-9.

[53] The domestic industry's R&D expenditures fluctuated at a low level during the POI, and were $*** in 2013, $*** in 2014, $*** in 2015, $*** in interim 2015, and $*** in interim 2016. CR/PR at Table VI-4.

IV. CONCLUSION

For the reasons stated above, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of CWP from Pakistan that are sold in the United States at less than fair value.

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)[1], 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")[2] 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.[3] The following tabulation provides information relating to the background of these investigations.[4] [5]

Effective date	Action
October 28, 2015	Petition filed with Commerce and the Commission; institution of the Commission's 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)
December 14, 2015	Commission's preliminary determinations (80 FR 79093)
April 8, 2016	Commerce's preliminary countervailing duty determinations: Pakistan (81 FR 20619)
June 8, 2016	Commerce's preliminary antidumping duty determinations: Oman (81 FR 36871), Pakistan (81 FR 36867), UAE (81 FR 36881), Vietnam (81 FR 36884)
June 8, 2016	Scheduling of final phase of Commission investigation (81 FR 41592, June 27, 2016)
July 15, 2016	Commerce's amended preliminary antidumping duty determination for Vietnam (81 FR 46048)

[1] On June 6, 2016, JMC Steel Group changed its corporate name to Zekelman Industries Inc. *JMC Steel Group Changes Name to Zekelman Industries Inc.* at http://www.zekelman.com/press-release/zekelman-industries/jmc-steel-group-changes-name-to-zekelman-industries-inc, accessed Sept. 20, 2016

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

[3] The Commission determined that imports of CWP from the Philippines were negligible in the preliminary phase, terminating the investigation in regards to that country.

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

[5] A list of witnesses appearing at the hearing is presented in appendix B of this report.

Effective date	Action
October 13, 2016	Commission's hearing
October 28, 2016	Commerce's final antidumping duty determinations: Oman (81 FR 75026), Pakistan (81 FR 75028), UAE (81 FR 75030), Vietnam (81 FR 75042). Commerce's final countervailing duty determinations: Pakistan (81 FR 75045)
November 18, 2016	Commission's vote
December 12, 2016	Commission's determinations and 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 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--[6]

> *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*

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

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—[7]

(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 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, subsidy and 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.[8] CWP used in the United States is typically produced to the American Society for Testing and Materials International

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

(ASTM) standard A53[9] 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.[10]

The petition identified 17 U.S. producers of CWP (including the 4 petitioners), 9 of which provided a questionnaire response.[11] [12] The leading U.S. producers of CWP are Wheatland Tube LLC ("Wheatland"); Bull Moose Tube Company ("Bull Moose"); Steel Ventures, d/b/a EXLTUBE ("EXLTUBE"); and Maruichi Leavitt Pipe & Tube, LLC (Maruichi Leavitt).[13] [14]

Leading producers of CWP outside the United States include Al Jazeera Steel Products Co SAOG ("Al Jazeera") of Oman; International Industries Limited ("IIL") of Pakistan; Ajmal Steel Tubes and Pipes Industries LLC ("Ajmal"), Conares Metal Supply ("Conares"), Universal Tube & Plastic Industries Ltd., Universal Tube & Pipe Industries LLC, and KHK Scaffolding & Formwork LLC (Collectively, "Universal") of the UAE; and Hoa Phat Steel Pipe Co., Ltd. ("Hoa Phat"), Vietnam Haiphong Hongyuan Machinery Manufactory Co. Ltd. ("Vietnam Haiphong"), Maruichi Sun Steel Joint Stock Company, and SeAH Steel Vina Corporation ("SeAH") of Vietnam.[15]

The leading U.S. importers of CWP from Oman are ***; from Pakistan are ***; from the UAE are ***; and from Vietnam are ***.

Apparent U.S. consumption of CWP totaled approximately 1.8 million short tons ($1.62 billion) in 2015. At least 9 firms are known to produce CWP in the United States. U.S. producers' U.S. shipments of CWP totaled 942,159 short tons ($867.2 million) in 2015, and accounted for 52.0 percent of apparent U.S. consumption by quantity and 53.5 percent by value. U.S. importers' U.S. shipments from subject sources totaled *** short tons ($***) in 2015 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers' U.S. shipments from nonsubject sources totaled *** short tons ($***) in 2015 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

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[9] Petition, exh. I-10.

[10] Petition, p. 5.

[11] ***.

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

[13] *** provided a response in the preliminary phase but did not provide a response in the final phase.

[14] While Allied Tube & Conduit Corporation ("Allied") was the *** producer in 2015, the firm halted production of fence and sprinkler pipe at three of its facilities in October 2015; its Philadelphia plant ceased all production activities. *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. ***.

[15] SeAH was assigned a de minimis margin by Commerce, and its imports have been treated as nonsubject in this report. All other Vietnamese firms are treated as subject. See "Nature And Extent Of Subsidies And Sales At LTFV" in Part I, and Parts IV and VII.

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 9 firms that accounted for the vast majority of U.S. shipments of CWP, by volume during 2015.[16] U.S. imports are based on questionnaire responses, supplemented with import data for certain HTS statistical reporting numbers provided in proprietary Customs data.[17]

Table I-1 presents data on data coverage obtained from questionnaire responses.

Table I-1
CWP: U.S. import quantities in short tons from proprietary Customs records and importer questionnaire data, 2015

* * * * * * *

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-2.

[16] The 9 responding U.S. producers reported U.S. shipments of 942,159 short tons of CWP during 2015. The total U.S. shipment estimate is based on the *Preston Pipe & Tube Report* which estimated total 2015 U.S. standard welded pipe shipments of 928,535 short tons. *Preston Pipe & Tube Report,* Vol. 34 No. 2, February, 2016, p. 53.

[17] These HTS statistical reporting numbers include 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. These numbers were identified in the preliminary phase and in previous investigations as the numbers under which most subject products entered.

Table I-2
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-2—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	India	Negative	([1])
	731-TA-1192	2011	Oman	Negative	([1])
	731-TA-1193	2011	UAE	Negative	([1])
	731-TA-1194	2011	Vietnam	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.[18] 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.[19] 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.[20] 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 Brazil, Korea, Mexico, and other countries. 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.[21]

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.[22] On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to welded tubular products (other OCTG) 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 the third year).[23]

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[18] 47 FR 49058, October 29, 1982.

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

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

[21] *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.

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

[23] *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

(*continued*...)

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.[24] 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.[25]

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On October 28, 2016, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of product from Pakistan.[26] Table I-3 presents Commerce's findings of subsidization of CWP in Pakistan.

Table I-3
CWP: Commerce's final subsidy determination with respect to imports from Pakistan

Entity	Final countervailable subsidy margin (*percent*)
International Industries Limited	64.81
All others	64.81

Source: 81 FR 75045, October 28, 2016.

(…*continued*)
Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

[24] *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.

[25] *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 5, 2006.

[26] *Circular Welded Carbon-Quality Steel Pipe From Pakistan: Final Affirmative Countervailing Duty Determination*, 81 FR 75045, October 28, 2016

Sales at LTFV

On October 28, 2016, Commerce published notices in the *Federal Register* of its final determinations of sales at LTFV with respect to imports from Oman, Pakistan, the UAE, and Vietnam.[27] Table I-4 presents Commerce's dumping margins with respect to imports of product from Oman, Pakistan, the UAE, and Vietnam.

Table I-4
CWP: Commerce's final weighted-average LTFV margins with respect to imports from Oman, Pakistan, UAE, and Vietnam

Entity	Final dumping margin (*percent*)
Pakistan	
International Industries Limited	11.80
All others	11.80
Oman	
Al Jazeera Steel Products Co. SAOG	7.24
All others	7.24
United Arab Emirates	
Ajmal Steel Tubes & Pipes Ind. L.L.C	6.43
Universal Tube and Plastic Industries, LLC—Jebel Ali Branch, Universal Tube and Pipe Industries, and KHK Scaffolding and Framework LLC	5.58
All others	5.95
Vietnam	
SeAH Steel VINA Corporation	0.00
Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd	6.27
Hoa Phat Steel Pipe Co	6.27
Vietnam-Wide Entity	113.18

Source: 81 FR 75026, October 28, 2016; 81 FR 75028, October 28, 2016; 81 FR 75030, October 28, 2016; 81 FR 75042, October 28, 2016.

[27] *Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman: Final Determination of Sales at Less Than Fair Value*, 81 FR 75026, October 28, 2016; *Circular Welded Carbon-Quality Steel Pipe From Pakistan: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 FR 75028, October 28, 2016; *Circular Welded Carbon-Quality Steel Pipe From the United Arab Emirates: Final Determination of Sales at Less Than Fair Value*, 81 FR 75030, October 28, 2016; *Circular Welded Carbon-Quality Steel Pipe From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value*, 81 FR 75042, October 28, 2016

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of these investigations as follows:[28]

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.

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 specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: Is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter;

[28] *Circular Welded Carbon-Quality Steel Pipe From Pakistan: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 FR 75028, October 28, 2016, appendix I.

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 (nominal)	Gage
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

Table continued on next page

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gage
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 this investigation 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 (also known as 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 this investigation 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, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigation is dispositive.

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, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The column 1-general duty rate on all of these products is free.[29]

THE PRODUCT

Description and applications[30]

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.

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.

In addition, CWP is used for structural applications in general construction. Structural pipe is generally used for structural or load-bearing purposes by the construction industry, as

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

[30] 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.

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 are manufactured primarily to standard ASTM specifications such as A500 or A252 as well as American Society of Mechanical Engineers ("ASME") specifications.

Manufacturing processes[31]

CWP subject to these investigations is 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. The ERW process can be used to cover the full range of standard pipe diameters subject to these investigations.

In the CW process,[32] the entire strip is heated to approximately over 2,000 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 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 outside diameter ("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 because it allows the company to produce a single diameter and wall thickness of

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[31] 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.

[32] 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 August 15, 2016.

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.[33]

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 ERW manufacturing process is similar in the United States and in subject countries. The CW manufacturing process is not used in the subject countries.[34]

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product were raised in the final phase of these investigations. The Petitioner proposed a single product consisting of all CWP covered by the scope,[35] and the UAE Respondents agreed with the definition in the preliminary phase.[36] Pakistani Respondents did not challenge the domestic like product definition in their briefs.[37]

[33] Petition, pp. 6-7.
[34] Conference transcript, p. 97 (Cameron).
[35] Petition, pp. 14-15.
[36] Conference transcript, p. 87 (Cameron) and UAE respondents' postconference brief, p.4.
[37] Pakistan respondents' posthearing brief, p. 3.

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 similar 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 ASTM A53, A135, or A795 standards, or can be produced to proprietary specifications. CWP typically undergoes an Underwriters Laboratories (UL) certification process.[3] Eight of nine U.S. producers and the vast majority of importers (26 of 27) reported that there were no changes to the product range, product mix, or marketing of CWP since January 1, 2013.

Apparent U.S. consumption of CWP increased from 200 thousand short tons less in January-June 2016 (835 thousand short tons) than in January-June 2015. Overall, apparent U.S. consumption increased by 10.1 percent during 2013-15.

U.S. PURCHASERS

The Commission received 54 usable questionnaire responses from firms that bought CWP during January 2013-September 2016.[4] Forty-six responding purchasers are distributors, five are end users (including ***), and two are retailers. Responding U.S. purchasers were located in all regions of the United States ***, but were concentrated in the Midwest, Pacific Coast, Southeast, and Central Southwest. The largest purchasers of CWP are ***, who combined represented 78 percent of reported purchases in 2015.[5]

Some U.S. producers and importers shared the same customers during 2015, and most purchasers reported purchases during January 2013-2016 from a variety of sources. Only five purchasers reported purchasing CWP exclusively from domestic producers, and four purchasers reported purchasing CWP from only domestic producers or unknown sources.

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[1] Petition, p. 5.

[2] Petition, p. 5.

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

[4] Of the 54 responding purchasers, 48 purchased the domestic CWP, 31 purchased imports of CWP from subject countries (17 purchased from Oman, 6 purchased from Pakistan, 19 purchased from the UAE, and 13 purchased from Vietnam (including purchases from nonsubject firms). Thirty-four of the responding purchasers reported purchases from nonsubject sources, with 21 purchasers reporting purchases from Korea, and 27 purchased from other sources. Eighteen purchasers reported purchases of unknown origin.

[5] Purchaser *** accounted for *** percent of 2015 reported purchases, *** for *** percent, and *** accounted for about *** percent each.

CHANNELS OF DISTRIBUTION

U.S. producers and importers sold mainly to distributors, as shown in table II-1. Imports from Oman, Pakistan, and the UAE were sold ***, while importers of product from subject Vietnamese producers sold ***.[6] Nonsubject imports were also sold primarily to distributors, although some nonsubject CWP was sold to end users and a very small share of nonsubject CWP was sold to retailers.

Table II-1
CWP: U.S. producers' and importers' U.S. commercial shipments, by sources and channels of distribution, 2013-2015, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Share of commercial U.S. shipment quantity (percent)				
U.S. producers: Distributors	93.0	92.5	93.4	93.4	87.0
End users	7.0	7.5	6.6	6.6	13.0
Retailers	0.0	0.0	0.0	0.0	0.0
U.S. importers: Oman.-- Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers: Pakistan.-- Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers: United Arab Emirates.-- Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers: Vietnam (subject).-- Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers: Subject sources.-- Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers: Nonsubject sources.-- Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers: All import sources.-- Distributors	86.5	89.0	91.3	92.1	88.2
End users	10.8	8.3	6.4	5.8	6.7
Retailers	2.7	2.7	2.3	2.2	5.1

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

[6] The vast majority (*** percent) of importer *** sales of subject product from Vietnam went to retailer *** in 2015.

GEOGRAPHIC DISTRIBUTION

A plurality of firms reported sales in specific regions, with only half of producers and few importers reporting sales to all regions. Four of nine U.S. producers reported selling CWP to all regions in the contiguous United States, and all producers reported selling CWP to the Mountains and Pacific Coast regions (table II-2). 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 reported selling CWP mostly to the Central Southwest and Pacific Coast regions, and 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	Subject U.S. importers				
		Oman	Pakistan	UAE	Vietnam	Subject sources
Northeast	6	6	***	6	1	11
Midwest	7	4	***	5	2	8
Southeast	6	6	***	5	3	11
Central Southwest	6	8	***	9	5	17
Mountains	9	3	***	4	3	7
Pacific Coast	9	5	***	9	4	16
Other[1]	3	1	***	1	0	2
All regions (except Other)	5	2	***	2	1	4
Reporting firms	9	8	2	11	7	20

[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 large excess capacity, available inventory, and the ability to switch between production of CWP and other products.

Industry capacity

Overall domestic capacity utilization[7] decreased from 67.5 percent in 2013 to 49.7 percent in 2015 driven by a 3.1 percent drop in production and a 1.1 percent increase in capacity. Capacity utilization during January-June 2016 was 12.9 percent lower than the same period in 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 from 4.4 percent in 2013 to 3.4 percent in 2015. Exports as a share of total shipments were low in interim 2015 and remained low in January-June 2016 at 2.5 percent. This level of exports indicates 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, relative to total shipments, decreased slightly from 13.1 percent in 2013 to 9.5 percent in 2015. Inventories, relative to total shipments were 13.8 percent in January-June 2015 and 9.6 percent in January-June 2016. 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.

U.S. purchasers estimated holding about 8 percent of their total 2015 purchases in inventories, increasing from an estimated 6 percent in 2013. In 2015, purchasers' inventories comprised primarily of domestically produced CWP (38 percent) and CWP from nonsubject and unknown sources (33 and 10 percent, respectively). Less than 20 percent of 2015 purchaser inventories included imports from Oman (*** percent), Pakistan (*** percent), the UAE (*** percent), and Vietnam (*** percent).[8]

Production alternatives

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

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[7] Overall capacity includes other products produced on the same equipment as CWP.

[8] These estimates may include some product imported from nonsubject Vietnamese producers.

Supply constraints

Most responding U.S. producers (7 of 9) reported that they had not refused, declined, or been unable to supply CWP since January 2013. However, U.S. producer *** reported declining to supply CWP because of mill closings and pressure from imports, and *** reported that due to capacity issues, it introduced a ***.

Most purchasers (43 of 51) reported that that no firm had been unable to supply CWP. Of the eight purchasers reporting supply constraints, two cited long lead times[9] for some domestic products. Two purchasers indicated supply constraints with U.S. Steel. Purchaser *** reported that U.S. Steel and TMK IPSCO would not sell CWP directly, but rather referred the firm to authorized distributors. Purchaser *** stated that because it is not recognized by U.S. Steel as an authorized distributor, it is not able to provide U.S. Steel-produced CWP.

When asked if the availability of domestically produced CWP in the U.S. market has changed since 2013, more than half of responding purchasers (18 of 34) reported that there has been a change. Some purchasers reported an increase in availability due to a drop in demand (caused by a drop in oil and gas exploration), new capacity, and more producers, while others reported a decrease in availability due to a consolidation of mills and Allied's exit from the U.S. market.[10]

U.S. producer Allied's exit

Eight of 49 responding purchasers reported that they had purchased nearly *** tons of CWP from U.S. producer Allied since January 2013. Six of the eight responding purchasers reported that their purchases had not been priced below market, and that they had not purchased more from Allied because of lower prices.

However, purchaser *** reported that it purchased from Allied in October 2015 at *** percent below market, and had bought *** more tons than they would have, because Allied was "closing down their fencing division." Purchaser *** reported that prices had been below market, but that it was unable to provide an estimate for the price difference because *** during January 2013-June 2016. Six of seven purchasers reported that Allied's prices did not affect their negotiations with other suppliers.

In response to a specific question regarding the effect of domestic producer Allied's exit from the market, importers *** reported that there was less availability, and that the exit caused a shortfall of local supply that could only be met by imports.

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[9] Purchaser *** reported that it experienced a "timely shipment issue" with Allied, and *** cited long lead times for "some domestic products."

[10] Petitioners stated that there was an initial 60 to 90 day window in which customers wanted to make sure they had secure supply and that impacted U.S. producers' inventory levels, but after 90 days, the market returned to balance. Hearing transcript, p. 92 (Boswell).

Subject imports

Table II-3 provides a summary of supply-related data for subject countries.

Table II-3
CWP: Foreign industry factors that affect ability to increase shipments to the United States

* * * * * * *

Subject imports from Oman[11]

Based on available information, the one responding producer of CWP from Oman, Al Jazeera, has the ability to respond to changes in demand with 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 between markets, and ability to produce alternate products, but tempered by low inventory levels.[12]

Al Jazeera stated that ***. Importer *** (mainly importing from Oman and ***) stated that "inconsistent and incomplete shipment is quite common for all overseas suppliers." Al Jazeera also stated that despite lower oil prices, the Gulf Coast Countries ("GCC") are continuing to invest in construction and infrastructure.[13]

[11] The Commission received one questionnaire response from Omani producers. This firm's exports to the United States represented *** of U.S. imports of CWP from Oman during January 2013-June 2016.

[12] There were no significant changes to capacity, capacity utilization, or inventories during the interim periods.

[13] Hearing transcript, p. 126 (Chowdhuri).

Subject imports from Pakistan[14]

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 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 between markets, but tempered by low inventory levels, and the inability to produce alternate products.[15]

IIL reported that it ***. However, during the preliminary phases of the investigations, IIL stated that it ***.[16] IIL stated that ***. Pakistani producer IIL reported that its home market has strong demand, partially encouraged by the China Pakistan Economic Corridor, a $46 billion investment in infrastructure.[17]

Subject imports from the UAE[18]

Based on available information, producers of CWP from the UAE have the ability to respond to changes in demand with 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.[19]

Three of four Emirati producers stated that they experience production constraints due to finishing equipment capacity for hydro-testing, threading, painting, stenciling, etc. Importer *** (mainly importing from Oman and ***) stated that "inconsistent and incomplete shipment is quite common for all overseas suppliers."

Respondents argued that demand in the UAE is strong because private and public developers have invested in residential construction and infrastructure, especially given the 2020 World Expo in the UAE and 2022 FIFA World Cup in neighboring Qatar.[20]

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[14] The Commission received one questionnaire response from Pakistani producers. This firm's exports to the United States represented *** percent of U.S. imports of CWP from Pakistan during January 2013-June 2016.

[15] There were no significant changes to capacity, capacity utilization, or inventories during the interim periods.

[16] *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-1299-1303 (Preliminary)* Staff report, p. II-9.

[17] Hearing transcript, p. 135 (Chinoy).

[18] The Commission received four questionnaire responses from Emirati producers. These firms' exports to the United States represented *** of U.S. imports of CWP from the UAE during January 2013-June 2016.

[19] Capacity utilization was higher in January-June 2015 (*** percent) than in January-June 2016 (*** percent). There were no significant changes to capacity or inventories during the interim periods.

[20] Hearing transcript, p. 118 (D'Cunha); UAE Respondents' posthearing brief, *Responses to Commissioner Questions,* pp. 59-60, 65.

Subject imports from Vietnam[21]

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 limited availability of unused capacity, the moderate ability to shift shipments from other markets, relatively low inventory levels, and some ability to produce alternate products.[22]

Nonsubject imports

The largest sources of nonsubject imports during 2013-15 were Korea, Canada, and Mexico, by import quantity. Combined, by quantity, these countries accounted for 38.1 percent of nonsubject imports and 29.0 percent of total imports in 2015.

New suppliers

Nine of 52 purchasers indicated that new suppliers entered the U.S. market since January 1, 2013. One purchaser each cited Iron World, Stephens Pipe & Steel, JFE (Japan), Maruichi-Leavitt, Independence Tube, Zenith Birla (India), Forza, Borison, and Midwest Pipe & Tubes. Three purchasers reported Prolamsa Axis (U.S.) as a new supplier.

U.S. demand

Based on available information, the overall demand for CWP is likely to experience moderate changes in response to changes in price. The main contributing factors are limited 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.[23] [24] U.S. gross

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[21] The Commission received four questionnaire responses from Vietnamese producers (one of which was a nonsubject firm). The firms' exports to the United States represented *** of U.S. imports of CWP from Vietnam during January 2013-June 2016. Subsequent analysis includes information regarding nonsubject Vietnamese firms.

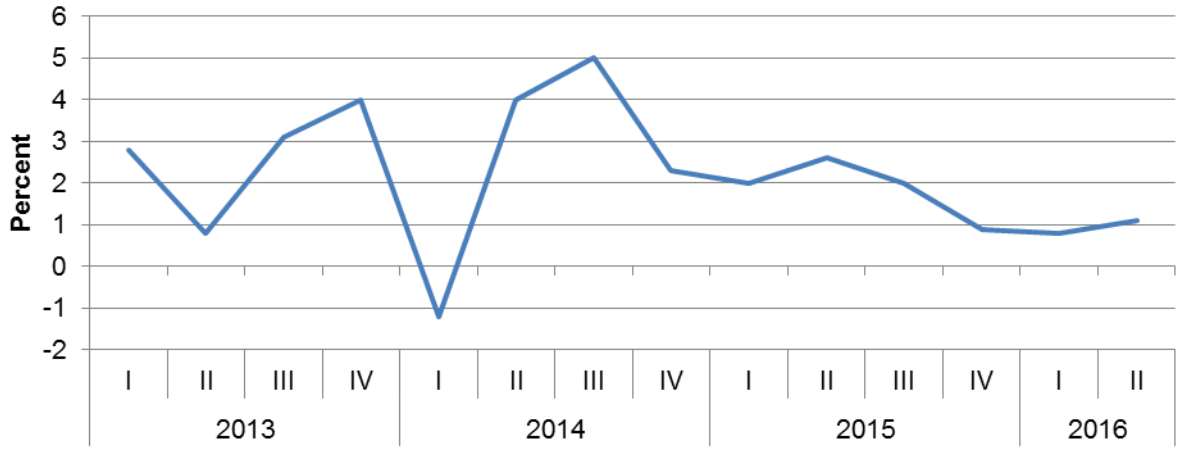
[22] There were no significant changes to capacity, capacity utilization, or inventories during the interim periods.

[23] Conference transcript, pp. 24, 45 (Blatz); hearing transcript, p. 26 (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' post-conference brief, p. 5.

[24] 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).

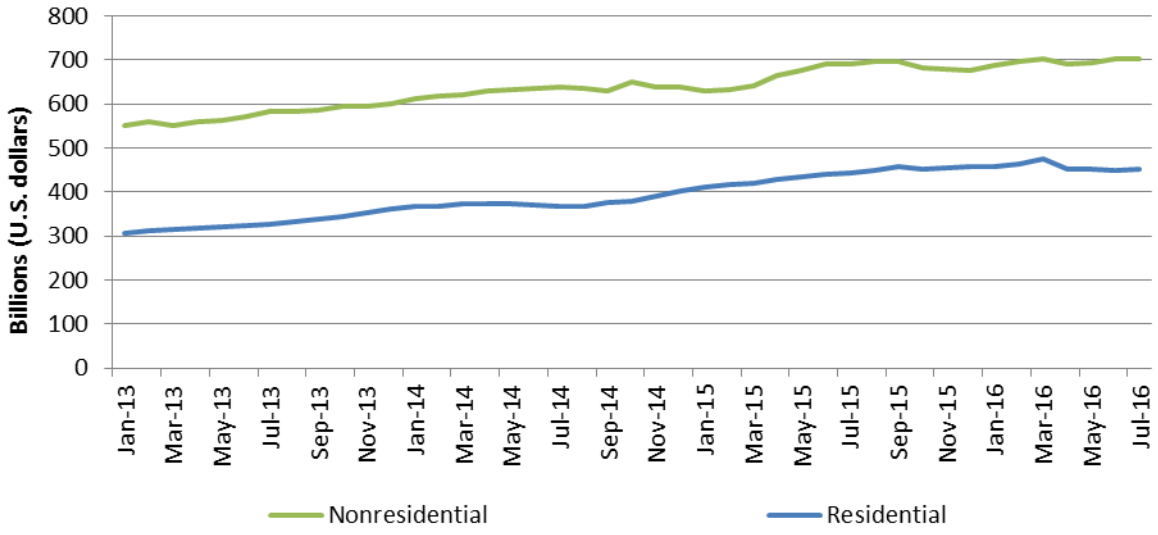
domestic product (GDP) fluctuated over the period of investigation (figure II-1), while both nonresidential and residential construction spending increased steadily over the period (figure II-2). A smaller market segment for CWP is affected by the oil and gas industry, which experienced large price declines starting in 2014 (figure II-3).

Figure II-1
Percent changes in real gross domestic product (GDP) growth, by quarter, January 2013-June 2016



Source: National Income and Product Accounts-Table 1.1.1, *Percent Change from Preceding Period in Real Gross Domestic Product*, Bureau of Economic Analysis, http://www.bea.gov/iTable/index_nipa.cfm, September 1, 2016.

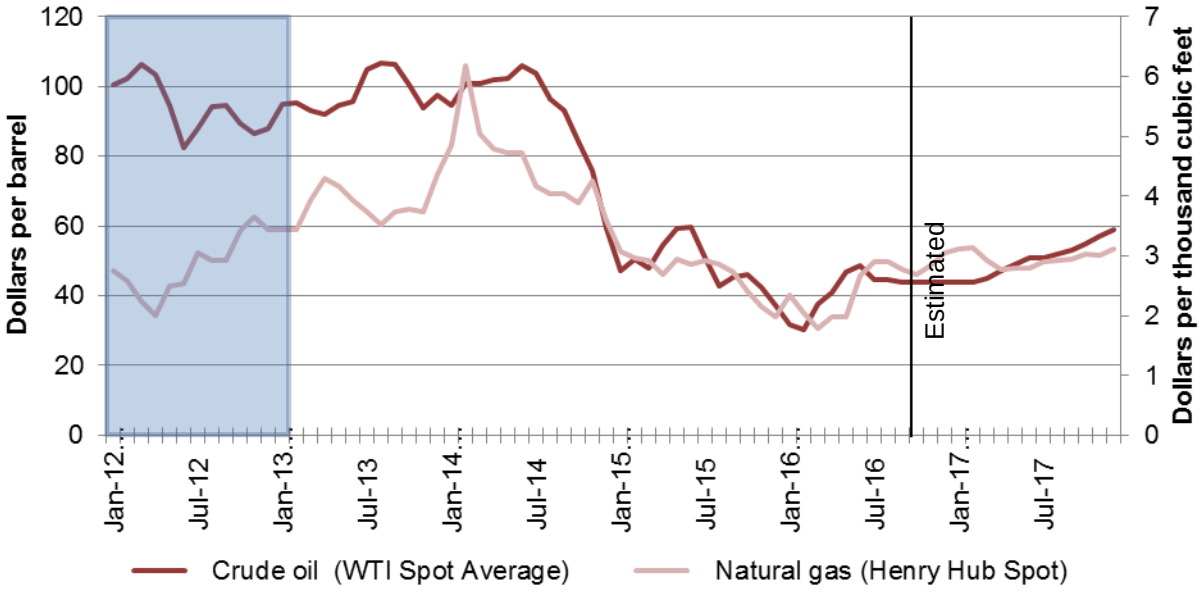
Figure II-2
Total residential and nonresidential construction spending, seasonally adjusted, monthly, January 2013-July 2016



Source: U.S. Census Bureau, Construction Spending, Historical Data, http://www.census.gov/construction/c30/c30index.html, accessed September 1, 2016.

Figure II-3

Crude oil and dry natural gas prices, monthly, January 2012-August 2016, estimated September 2016 - December 2017



Source: EIA, Short-Term Energy Outlook, September 2016. Table 2, Energy Nominal Prices. http://www.eia.gov/forecasts/steo/tables/, accessed September 21, 2016.

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.[25] Galvanized pipe is generally used in corrosive or freezer type environments while black pipe is generally used in standard building applications.[26]

Cost share

Given the wide variety of end uses for CWP, U.S. producers, importers and purchasers reported a wide range of cost shares, depending on the end-use products, including: [27]

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[25] *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-1299-1303 (Preliminary),* USITC Publication 4586, December 2015, p. II-11.

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

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

- Commercial and industrial construction (5-60 percent)
- Plumbing (15-50 percent)
- Water wells (33-80 percent)
- Fencing (40-75 percent)
- Shopping carts (45 percent)
- Fire sprinkler systems (50 percent)
- Handrail construction (85 percent)
- Mechanical tubing (90 percent)
- Oil and gas applications (95 percent)

Business cycles

Most producers (6 of 9), importers (19 of 28), and purchasers (30 of 50) reported that the market is not subject to business cycles or distinct conditions of competition. Of the firms reporting specific business cycles or distinct conditions of competition, *** cited commodity price fluctuation and demand in the non-residential construction market and some firms (*** importers and 11 purchasers) reported seasonal cycles. Purchaser *** reported that CWP demand is tied to drilling demand, and *** reported that CWP demand follows construction trends, but more recently the dropping price of oil has affected the price of pipe.

Some firms reported a change to business cycles or conditions of competition since 2013. U.S. producer *** reported increased pressure from repurposed products that have been imported as well as lower oil prices. *** importers reported changes since 2013, including increased demand for CWP due to a construction boom, changes in foreign and domestic policies regarding steel imports, decreasing demand due to falling oil and gas prices, and changes in overall economic conditions.

Effects of oil and gas

Some firms (4 of 9 U.S. producers, 11 of 34 importers, 24 of 54 purchasers, and 5 of 9 foreign producers) indicated that the demand for gas and oil affected demand for CWP, although responses varied regarding the significance of these effects. Some firms reported that oil and gas prices directly affect demand for CWP used in the oil and gas sectors, and other firms reported that oil and gas prices indirectly affect CWP through the steel market and through freight and production costs.

Petitioners stated that oil and gas prices have not had a significant impact on standard pipe, and that CWP and OCTG face different demands.[28] Importer *** reported that oil and gas prices drive the demand for nonsubject energy pipe, but that this has an indirect impact on CWP by encouraging mills to lower standard pipe prices to fill their production capacity.

[28] Hearing transcript, p. 34 (Boswell).

Demand trends

Firms' responses regarding U.S. demand varied (table II-4). A plurality of producers reported an increase in demand. Importer responses were divided, with fluctuating and constant demand being the most commonly reported. A plurality of purchasers reported a decrease in U.S. demand for CWP. Generally, firms involved in the construction sector found an increase in demand, while firms in the gas and oil sectors experienced a decrease in demand.

Table II-4
CWP: Firms' responses regarding U.S. demand and demand outside the United States

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand inside the United States:				
U.S. producers	4	3	2	0
Importers	5	7	6	8
Purchasers	9	10	20	9
Demand outside the United States:				
U.S. producers	1	0	1	2
Importers	3	7	1	8
Purchasers	3	6	7	5
Demand for purchasers' final products:				
Purchasers	1	3	2	6

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

General economic recovery and commercial construction were cited by nine firms (3 producers, 2 importers, and 4 purchasers)[29] as contributing to the increased demand in the United States.

U.S. producer *** and importers *** reported that demand for CWP decreased following the decline in oil prices, rig counts, and other related factors. Ten purchasers cited the drop in oil prices and the weak oil and gas industry as contributing to declining demand for CWP. Purchaser *** reported that the decline in demand for CWP is attributable to slowing construction and the overall economy, and purchaser *** reported that the decline in demand for CWP is attributable to *** instead of CWP.

Substitute products

Some U.S. producers (4 of 8), and most responding importers (20 of 25)[30] and purchasers (34 of 51) reported that there were no substitutes for CWP. However, some firms did report substitutes for a variety of end-use applications:

[29] U.S. producer and importer *** response was counted only once, and its response is counted as a producer.

[30] Purchaser *** reported both "yes" and "no" to substitutes, and was excluded from this count.

- *Automotive end uses:* stamped parts like door and chassis beams, and extruded door beams[31]
- *Structural or construction end uses:* seamless pipe, beams, API line pipe, square or rectangular tube, wide flange or standard beams, concrete, and wood
- *Water and gas transmission:* concrete, cast iron, plastic pipe, and seamless tubing.
- *Plumbing:* wood, vinyl, and plastic

In response to the question whether price changes of these substitutes have affected the price of CWP, U.S. producer *** and purchaser *** reported that as prices of CWP increase compared to beams, more beams are used in place of CWP. Purchasers *** reported that square and rectangular tubing prices often move in tandem with CWP prices, and purchasers *** reported that plastics and line pipe in plumbing applications are often less expensive than CWP.

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, 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 degree of substitutability between domestically produced CWP and CWP imported from subject sources.

Lead times

U.S. producers primarily sell CWP from inventory, while importers primarily produce to order. U.S. producers reported that 34.4 percent of their commercial shipments came from inventories, with lead times ranging from 1 to 40 days, and averaging about 14 days. The remaining 23.1 percent of their commercial shipments were produced-to-order, with most lead times ranging from 30 to 50 days, and averaging about 50 days.[32] Petitioners stated that CWP is ordered to standard length, wall thickness, and size, and that this homogeneity allows for CWP to be shipped largely from inventories.[33]

Importers reported that 78.7 percent of their commercial shipments were produced-to-order, with lead times ranging from 60 days to 270 days, and averaging about 106 days. Most of the remaining shipments (21.2 percent) were shipped from U.S. inventories with lead times

[31] Reporting firms indicated that these substitutes for automotive uses do not affect the price of CWP because they are either higher cost or require significant investment in tooling or design.

[32] U.S. producer *** reported lead times of *** days for shipments produced-to-order.

[33] Hearing transcript, p. 40 (Boswell).

ranging from 1 to 30 days, and averaging about 5 days. Less than 1 percent of shipments were from foreign inventories. Petitioners argued that most purchasers buy out of inventory that is already on the ground, and supply chains are set up from countries to bring product in on a regular basis.[34] Respondents stated that in their home markets, small and frequent sales of CWP create continuous inventory turnover but sales to the United States tend to be larger and produced-to-order. UAE Respondents explained that foreign producers wait to buy hot-rolled coil until they have a confirmed purchase order for CWP and that lead times for sales to the United States average 1 to 3 months.[35]

Knowledge of country sources

Forty-three purchasers indicated they had marketing/pricing knowledge of domestic product, 10 of Omani product, 2 of Pakistani product, 11 of Emirati product, and 10 of Vietnamese product. Fifteen purchasers indicated that they had knowledge of nonsubject Korean product and 18 of product from other nonsubject sources.

As shown in table II-5, a plurality of purchasers and their customers only sometimes make purchasing decisions based on the producer or country of origin. Of the 22 purchasers that reported that they always or usually make decisions based on the producer, 5 firms cited a preference for domestic product. Four purchasers cited reputation and quality of products from other sources, such as Canada, Korea, Taiwan, and Vietnam, and three purchasers reported that they never buy product from nonsubject country China.

Table II-5
CWP: Purchasing decisions based on producer and country of origin

Decision	Always	Usually	Sometimes	Never
Purchases based on producer:				
Purchaser's decision	8	14	23	8
Purchaser's customer's decision	1	5	28	12
Purchases based on country of origin:				
Purchaser's decision	12	12	22	6
Purchaser's customer's decision	2	6	36	3

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for CWP were price (48 firms), quality (37 firms),[36] and availability (28 firms) as shown in table II-6.

[34] Hearing transcript, p. 67 (Blatz).

[35] Hearing transcript, pp. 120 (D'Cunha), 157 (Cameron), 158 (Simon).

[36] Purchasers cited quality characteristics such as appearance, meeting ASTM standards and order specifications, threadability, chemical composition, no split or poor seams, reliability, and traceability through the production process.

Table II-6
CWP: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Item	1st	2nd	3rd	Total
	Number of firms (number)			
Price / Cost	19	14	15	48
Quality	16	14	7	37
Availability / Supply	5	10	13	28
All other factors[1]	11	13	15	NA

[1] Other factors listed include pricing terms and contracts, preferred suppliers or country of origin, product line range, delivery terms, reliability, and certifications.

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

The majority of purchasers (27 of 52) reported that they usually purchase the lowest-priced product for their purchases. When asked if they purchased CWP from one source although a comparable product was available at a lower price from another source, six purchasers reported a preference for domestic product, and six firms reported avoiding Chinese and/or Indian CWP. Thirty-two of 51 purchasers reported that their customers have country preferences. Seventeen of those purchasers reported that their customers prefer domestic product, three reported that their customers prefer UAE product, and six reported that their customers prefer nonsubject Korean product.[37]

Four of 44 purchasers reported that certain types of product were only available from a single source. *** reported that only certain sizes are available from certain sources (but did not provide additional information); *** reported that Canada has its own specification for CSA G40.21.13; *** reported that it orders from a distributor which sources material not made domestically, and focuses on certain sizes, grades, or compositions; and *** reported that there is limited U.S. sourcing of CWP sizes over 12 inches.

Respondents stated that while U.S. industry produces both CW and ERW pipe, all subject imports are exclusively ERW pipe and that there are perceived quality differences between the two, including CW pipe being easier to thread than ERW pipe, no hard spots, no hard seams, and less wear on equipment.[38]

Importance of specified purchase factors

Purchasers were asked to rate the importance of 16 factors in their purchasing decisions (table II-7). The factors rated as very important by more than half of responding purchasers were that quality meets industry standards (49 purchasers), price (48), product consistency (47), availability and reliability of supply (45 each), and delivery time (41).

Most responding purchasers (27 of 52) reported that it is not important that their purchases are certified under the Safe Drinking Water Act. Petitioners estimated that the

[37] *** reported preference for German product, and *** reported preference for Japanese product. Three purchasers reported that their customers stipulate no product from China or India.

[38] IIL's posthearing brief, *Responses to Commissioner Questions,* p. 58.

portion of CWP used for potable water conveyance is 20 percent or less, and that steel pipes are generally used only when high pressures or large diameters are involved.[39] Respondents stated that since distributors may not always know the final application of CWP, product that complies with the Safe Drinking Water Act standards may be preferred by distributors even though most CWP will be sold into applications that involve transport of potable water, and do not require compliance to these standards.[40]

Table II-7
CWP: Importance of purchase factors, as reported by U.S. purchasers, by factor

Factor	Number of firms reporting		
	Very	Somewhat	Not
Availability	45	7	0
Certified as lead-free under Safe Drinking Water Act	13	12	27
Delivery terms	25	25	2
Delivery time	41	11	0
Discounts offered	25	24	2
Extension of credit	17	17	18
Minimum quantity requirements	12	28	12
Packaging	12	29	11
Price	48	4	0
Product consistency	47	5	0
Product range	22	28	1
Quality meets industry standards	49	2	1
Quality exceeds industry standards	25	22	6
Reliability of supply	45	7	0
Technical support/service	17	27	8
U.S. transportation costs	19	25	7

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

Supplier certification

Twenty-seven of 52 responding purchasers require their suppliers to become certified or qualified to sell CWP to their firm. Most purchasers reported that the time to qualify a new supplier ranged from 10 to 90 days.[41] Purchasers reported considering ISO standards and ASTM specifications, and assurance that product is conflict mineral free,[42] in addition to test samples and trial runs.

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[39] Petitioners' posthearing brief, *Answers to Questions*, p. 31.

[40] IIL's posthearing brief, p. 9 and *Responses to Commissioner Questions*, p. 81.

[41] Three U.S. purchasers reported that qualification for new suppliers ranged from 1-2 days, and two purchasers reported that qualification for new suppliers could range from 120-365 days.

[42] Conflict minerals are those (generally columbite-tantalite ("coltan"), cassiterite, gold, wolframite, or their derivatives— i.e. niobium, tantalum, tin, gold, and tungsten) designated under the July-2010

(*continued*...)

Only two purchasers reported that a supplier had failed in its attempt to qualify product, or had lost its approved status since 2013. U.S. purchaser *** reported that it had rejected a mill certification from *** in June 2014 because the mill had failed to retest the chemicals in the coil they processed, and did not provide full yield and tensile information as required by the ASTM A53 specification. U.S. importer and purchaser *** reported that several firms did not have NSF lead-free certified CWP.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2013 (table II-8). A plurality of purchasers reported that their domestic purchases remained constant since 2013 and that purchases of CWP from Pakistan and the UAE had increased. Responses regarding purchasing patterns of CWP from Oman and Vietnam were mixed. Explanations for these trends cited pricing, reduced availability of domestic CWP, and customer preference.

Table II-8
CWP: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	2	13	11	20	5
Oman	19	6	3	5	4
Pakistan	28	1	4	1	0
UAE	17	5	8	4	3
Vietnam	25	4	5	3	3
Korea	16	7	3	5	7
All other sources	8	4	8	6	12
Sources unknown	15	4	0	7	5

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

Fourteen of 52 responding purchasers reported that they had changed suppliers since January 1, 2013. Specifically, firms dropped or reduced purchases from Al Jazeera (Oman), Maruichi Leavitt (U.S.), and Northwest Pipe (U.S.) due to supply chain, availability, and quality issues. Firms added or increased purchases from Borusan (Turkey), Independence Tube (U.S.), Iron World (U.S.), Marubeni Itochu (Japan), Maruichi Leavitt (U.S.), Axis/Prolamsa (U.S.), and Stephens Pipe & Steel (sources unknown) to diversify supply, because of increased availability, or due to better pricing. Importer *** reported that Indian producer Zenith LTD was the consistent low price supplier, but had exited the market. Four firms also reported that U.S. producer Allied had exited the market. Nine of 52 purchasers reported new suppliers, including

(…*continued*)
Dodd-Frank Act originating from the Democratic Republic of the Congo or adjoining countries to deter financing of regional conflicts. https://www.sourceintelligence.com/what-are-conflict-minerals/

Iron World (unknown), Stephens Pipe & Steel (unknown), JFE (Japan), Axis/Prolamsa (U.S.), Forza (Mexico), Independence Trinity (unknown), and Midwest Pipe & Steel (sources unknown).

Importance of purchasing domestic product

Most purchasers reported that purchasing U.S.-produced CWP was not an important factor in their purchasing decisions, and 90 percent of reported purchases were not subject to domestic requirements.[43] Twenty-eight purchasers reported that domestic product was required by law (for 1 to 60 percent of their purchases), 33 reported it was required by their customers (for 1 to 99 percent of their purchases). Six purchasers reported other preferences for domestic product including labor union preference, surface condition, and company preference.

Most purchasers (35 of 49) reported that they are willing to pay more for U.S.-produced CWP than for CWP from Oman, Pakistan, the UAE, or Vietnam. A large plurality of these responding purchasers (16 of 35) reported that they are willing to pay 5-10 percent more for domestic product.[44] Eight purchasers indicated that they are willing to pay more for domestic product because of better availability, shorter lead times, and reduced logistics and inventory holding costs.[45] Purchaser *** reported that its general rule of thumb is that doing business with an overseas supplier generally costs an additional 20-30 percent of the invoice price (including inventory, working capital, payment terms, warehousing, freight, and duties). Four purchasers indicated that they would be willing to pay more if domestic CWP was required by their customers.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing CWP produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on 15 factors (table II-9) for which they were asked to rate the importance. When comparing U.S. product and product from Oman, Pakistan, and the UAE, most purchasers reported that U.S. product was superior in availability, delivery time, product

[43] Petitioners' posthearing brief, p. 27.

[44] Five purchasers each reported a willingness to pay 11-20 percent or 21-30 percent more for domestically-produced product. Five purchasers reported a willingness to pay more for domestic CWP, but did not provide an estimate. One purchaser reported a willingness to pay 50 and another reported a willingness to pay 75 percent more for domestic CWP.

[45] Respondents argue that "the logistical advantages to purchasing domestic CWP are even more obvious when raw material prices are volatile (as during 2015), since purchasers take a significant risk that prices may move unfavorably between the time of order and delivery. UAE Respondents' posthearing brief, p. 7.

range, and technical support/service, while inferior in price.[46] When compared to product from Vietnam, most purchasers reported that U.S. product is superior in availability and delivery time, and inferior in price.

Table II-9

CWP: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	United States vs. Oman			United States vs. Pakistan			United States vs. UAE		
	S	C	I	S	C	I	S	C	I
Availability	12	8	0	7	2	0	11	9	2
Delivery terms	8	10	0	6	2	0	11	10	0
Delivery time	16	3	0	7	1	0	17	2	2
Discounts offered	4	11	4	2	4	1	4	11	5
Extension of credit	4	13	0	1	4	0	2	17	0
Minimum quantity requirements	8	10	0	4	2	0	10	8	2
Packaging	5	13	1	2	5	0	4	15	2
Price[1]	1	1	18	0	1	6	1	1	19
Product consistency	7	12	0	5	2	0	8	12	0
Product range	8	8	2	4	3	0	9	9	2
Quality meets industry standards	4	15	0	2	5	0	4	17	0
Quality exceeds industry standards	6	13	0	3	4	0	7	14	0
Reliability of supply	8	10	1	3	4	0	8	10	3
Technical support/service	13	4	1	5	2	0	11	7	2
U.S. transportation costs[1]	5	9	3	2	3	1	5	11	4

Factor	Number of firms reporting								
	United States vs. Vietnam			United States vs. Korea			United States vs. all other sources		
	S	C	I	S	C	I	S	C	I
Availability	9	7	1	11	14	1	12	11	1
Delivery terms	7	9	1	8	17	1	12	11	1
Delivery time	13	3	2	17	5	4	17	6	0
Discounts offered	1	13	1	3	14	6	3	14	4
Extension of credit	2	13	0	1	22	0	2	20	0
Minimum quantity requirements	5	10	1	7	15	3	9	14	0
Packaging	3	13	0	3	20	2	4	19	0
Price[1]	0	2	14	2	2	21	0	5	18
Product consistency	5	9	1	4	19	1	7	14	1
Product range	6	8	2	8	15	2	7	15	1
Quality meets industry standards	3	14	0	3	23	0	4	20	0
Quality exceeds industry standards	5	10	1	5	20	0	6	16	1
Reliability of supply	6	8	2	7	16	2	10	12	1
Technical support/service	5	8	2	7	15	1	13	8	2
U.S. transportation costs[1]	4	10	1	5	16	3	8	12	2

Table continued.

[46] Purchasers also ranked U.S. product superior to product from Pakistan and the UAE in delivery terms, and minimum quality requirements. U.S. product also ranked superior to product from Pakistan in product consistency.

Table II-9 -- Continued

CWP: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	Oman vs Pakistan			Oman vs UAE			Oman vs Vietnam		
	S	C	I	S	C	I	S	C	I
Availability	1	5	0	0	14	0	0	4	2
Delivery terms	1	4	0	0	12	1	0	3	2
Delivery time	1	4	0	0	12	1	0	3	2
Discounts offered	1	4	0	0	13	0	0	4	1
Extension of credit	1	4	0	0	13	0	0	4	1
Minimum quantity requirements	1	4	0	0	13	0	0	4	1
Packaging	1	4	0	0	13	0	0	4	1
Price[1]	1	4	1	0	14	0	1	4	1
Product consistency	2	3	0	0	13	0	0	3	2
Product range	1	4	0	0	13	0	0	4	1
Quality meets industry standards	2	3	0	0	13	0	0	3	2
Quality exceeds industry standards	2	3	0	0	13	0	0	3	2
Reliability of supply	0	4	0	0	11	2	0	3	2
Technical support/service	0	3	0	0	11	0	0	3	1
U.S. transportation costs[1]	0	4	0	0	12	0	0	3	1

Factor	Number of firms reporting								
	Oman vs Korea			Oman vs all other sources			Pakistan vs UAE		
	S	C	I	S	C	I	S	C	I
Availability	1	12	1	0	12	0	0	5	2
Delivery terms	0	12	1	0	11	0	0	5	1
Delivery time	1	9	3	0	10	1	0	4	2
Discounts offered	0	12	1	0	11	0	0	6	0
Extension of credit	0	12	1	0	11	0	0	6	0
Minimum quantity requirements	1	11	1	0	11	0	0	6	0
Packaging	0	12	1	0	11	0	0	6	0
Price[1]	3	11	0	1	11	0	1	6	0
Product consistency	0	10	3	0	11	0	0	4	2
Product range	0	10	3	0	10	1	0	6	0
Quality meets industry standards	0	12	1	0	11	0	0	5	1
Quality exceeds industry standards	0	11	2	0	11	0	0	5	1
Reliability of supply	1	9	2	0	10	1	0	4	2
Technical support/service	0	9	2	0	10	0	0	5	0
U.S. transportation costs[1]	0	9	1	0	9	0	0	5	0

Table continued.

Table II-9 -- Continued

CWP: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	Pakistan vs Vietnam			Pakistan vs Korea			Pakistan vs All other sources		
	S	C	I	S	C	I	S	C	I
Availability	1	3	1	1	5	1	0	5	2
Delivery terms	1	2	1	1	4	1	0	4	2
Delivery time	1	2	1	1	3	2	0	4	2
Discounts offered	1	2	1	1	4	1	0	4	2
Extension of credit	1	2	1	1	5	0	0	5	1
Minimum quantity requirements	1	2	1	1	5	0	0	5	1
Packaging	1	2	1	1	5	0	0	5	1
Price[1]	2	3	0	3	4	0	1	6	0
Product consistency	1	2	1	1	4	1	0	4	2
Product range	1	2	1	1	5	0	0	5	1
Quality meets industry standards	1	2	1	1	5	0	0	5	1
Quality exceeds industry standards	1	2	1	1	5	0	0	5	1
Reliability of supply	1	2	1	1	4	1	0	4	2
Technical support/service	1	2	0	1	4	0	0	5	0
U.S. transportation costs[1]	1	2	0	1	4	0	0	5	0
Factor	**Number of firms reporting**								
	UAE vs Vietnam			**UAE vs Korea**			**UAE vs All other sources**		
	S	**C**	**I**	**S**	**C**	**I**	**S**	**C**	**I**
Availability	1	4	1	1	12	1	0	13	0
Delivery terms	1	3	1	0	12	1	0	12	0
Delivery time	1	2	2	1	11	1	0	12	0
Discounts offered	1	3	1	0	12	1	0	12	0
Extension of credit	1	3	1	0	12	1	0	12	0
Minimum quantity requirements	1	3	1	0	12	1	0	12	0
Packaging	1	3	1	0	12	1	1	11	0
Price[1]	1	5	0	4	10	0	1	12	0
Product consistency	1	3	1	1	10	2	2	10	0
Product range	1	3	1	0	11	2	0	11	1
Quality meets industry standards	1	3	1	0	12	1	0	12	0
Quality exceeds industry standards	1	3	1	0	12	1	0	12	0
Reliability of supply	1	3	1	1	11	1	1	11	0
Technical support/service	1	2	1	0	11	1	0	11	0
U.S. transportation costs[1]	1	2	1	0	11	1	0	11	0

Table continued.

Table II-9 -- Continued

CWP: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	Vietnam vs Korea			Vietnam vs All other sources			Korea vs All other sources		
	S	C	I	S	C	I	S	C	I
Availability	1	8	2	2	6	1	2	12	0
Delivery terms	0	8	2	1	6	1	2	11	0
Delivery time	1	7	2	1	5	2	2	11	0
Discounts offered	0	9	1	1	6	1	2	11	0
Extension of credit	0	9	1	1	6	1	2	11	0
Minimum quantity requirements	0	9	1	1	6	1	2	10	1
Packaging	0	9	1	1	6	1	2	11	0
Price[1]	3	8	0	2	7	0	1	11	2
Product consistency	1	8	1	2	5	1	5	8	0
Product range	1	6	3	2	5	1	5	8	0
Quality meets industry standards	1	8	1	1	6	1	3	10	0
Quality exceeds industry standards	1	8	1	1	6	1	4	9	0
Reliability of supply	1	8	1	1	6	1	2	11	0
Technical support/service	0	8	1	1	5	1	2	11	0
U.S. transportation costs[1]	0	8	0	1	5	0	2	10	0

[1] A rating of superior means that price/U.S. transportation costs is generally lower.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Most purchasers reported that U.S. product and nonsubject product from Korea were comparable on all factors with the exception of delivery time for which U.S. product is superior, and price for which U.S. product is inferior. When compared to nonsubject product from all other sources, U.S. product was comparable on all factors with the exceptions of superior availability, delivery terms, delivery time, and technical support/service, and inferior price. The vast majority of purchasers comparing product from one subject country to another reported that CWP is comparable across countries.

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 UAE, and Vietnam, U.S. producers and importers were asked whether CWP can always, frequently, sometimes, or never be used interchangeably. As shown in table II-10, most U.S. producers and importers reported that domestically produced CWP and imported CWP were always interchangeable.

Purchasers reported a wide range of views regarding interchangeability. Most purchasers reported that U.S.-produced CWP was either always or frequently interchangeable with CWP from Oman, UAE, and Vietnam. A plurality of purchasers reported that. U.S.-produced CWP was only sometimes interchangeable with CWP produced in Pakistan. Of those reporting that U.S. and subject CWP are only sometimes or never interchangeable, they explained that while some products may be technically interchangeable, country preference is strong. Purchaser *** stated that there is "a market that only wants domestic steel and a

market that only wants imports and they rarely cross over." Purchaser *** and importer *** reported that only one U.S. mill (***) can product hot-dipped galvanized steel pipe, while there are more mills abroad with this production capability.

Table II-10

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

Country pair	U.S. Producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Oman	***	***	0	0	***	***	1	0	10	5	9	0
United States vs. Pakistan	***	***	0	0	***	***	2	0	6	1	8	1
United States vs. UAE	***	***	0	0	***	***	3	1	9	7	9	0
United States vs. Vietnam	***	***	0	0	***	***	2	0	10	3	9	1
Oman vs. Pakistan	***	***	0	0	***	***	1	0	9	1	6	0
Oman vs. UAE	***	***	0	0	***	***	1	0	13	3	5	0
Oman vs. Vietnam	***	***	0	0	***	***	1	0	9	0	6	0
Pakistan vs. UAE	***	***	0	0	***	***	1	0	8	3	6	0
Pakistan vs. Vietnam	***	***	0	0	***	***	1	0	9	0	6	0
UAE vs. Vietnam	***	***	0	0	***	***	1	0	9	1	6	0
United States vs. Korea	***	***	0	0	***	***	3	0	14	7	9	0
United States vs. Other	***	***	0	0	***	***	2	0	8	8	9	1
Oman vs. Korea	***	***	0	0	***	***	1	0	11	3	7	0
Oman vs. Other	***	***	0	0	***	***	1	0	8	2	7	0
Pakistan vs. Korea	***	***	0	0	***	***	1	0	8	3	7	0
Pakistan vs. Other	***	***	0	0	***	***	1	0	8	2	7	0
UAE vs. Korea	***	***	0	0	***	***	1	0	10	5	7	1
UAE vs. Other	***	***	0	0	***	***	1	0	9	2	7	0
Vietnam vs. Korea	***	***	0	0	***	***	2	0	8	2	7	1
Vietnam vs. Other	***	***	0	0	***	***	2	0	8	1	8	1
Korea vs. Other	***	***	0	0	***	***	1	0	10	6	5	0

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

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

In addition, producers, importers, and purchasers 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-11, 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, low minimum orders, larger product ranges, and technical support as differences other than price that were significant in the sale of CWP. Purchasers also cited availability, lead times, product range, and quality. Purchaser and importer *** reported that the quality of hot-dipped galvanized imported material is better than the in-line galvanizing done domestically.

Table II-11

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

Country pair	U.S. Producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Oman	0	0	***	***	3	0	***	***	5	6	6	6
United States vs. Pakistan	0	0	***	***	3	0	***	***	3	5	5	4
United States vs. UAE	0	0	***	***	5	1	***	***	3	8	7	7
United States vs. Vietnam	0	0	***	***	2	1	***	***	4	6	9	4
Oman vs. Pakistan	0	0	***	***	1	0	***	***	1	2	3	7
Oman vs. UAE	0	0	***	***	1	0	***	***	0	3	4	10
Oman vs. Vietnam	0	0	***	***	1	0	***	***	0	2	6	6
Pakistan vs. UAE	0	0	***	***	1	0	***	***	1	3	3	8
Pakistan vs. Vietnam	0	0	***	***	1	0	***	***	1	2	5	5
UAE vs. Vietnam	0	0	***	***	1	0	***	***	0	2	6	6
United States vs. Korea	0	0	***	***	3	1	***	***	4	8	7	9
United States vs. Other	0	0	***	***	6	2	***	***	4	7	8	7
Oman vs. Korea	0	0	***	***	1	0	***	***	1	3	6	9
Oman vs. Other	0	0	***	***	1	0	***	***	1	1	7	10
Pakistan vs. Korea	0	0	***	***	1	0	***	***	2	2	5	7
Pakistan vs. Other	0	0	***	***	1	0	***	***	2	1	5	7
UAE vs. Korea	0	0	***	***	1	0	***	***	1	2	6	11
UAE vs. Other	0	0	***	***	2	0	***	***	1	1	6	11
Vietnam vs. Korea	0	0	***	***	1	2	***	***	1	2	7	6
Vietnam vs. Other	0	0	***	***	1	0	***	***	2	1	7	6
Korea vs. Other	0	0	***	***	1	1	***	***	2	2	7	9

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

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

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties were encouraged to comment on these estimates in their prehearing or posthearing brief, but did not do so.

U.S. supply elasticity

The domestic supply elasticity[47] for CWP measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of CWP. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced CWP. Analysis of these factors earlier indicates that the U.S. industry has the ability to greatly

[47] A supply function is not defined in the case of a non-competitive market.

increase or decrease shipments to the U.S. market; an estimate in the range of 5 to 10 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for CWP measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of CWP. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the CWP in the production of any downstream products. Based on the available information, the aggregate demand for CWP is likely to be moderately inelastic; a range of -0.3 to -0.75 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[48] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the moderate elasticity of substitution between U.S.-produced CWP and imported CWP is likely to be in the range of 2 to 4.

[48] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

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 9 firms that accounted for the majority of U.S. production of CWP during 2015.

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaire to 17 firms based on information contained in the petition. Nine firms provided useable data on their productive operations.[1] Staff believes that these responses represent a vast majority of U.S. shipments of CWP during 2015.[2]

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

Table III-1
CWP: U.S. producers, their position on the petition, location of production, and share of reported production, 2015

Firm	Position on petition	Production location(s)	Share of production (percent)
Allied Tube & Conduit Corporation	***	Harvey, IL Philadelphia, PA Phoenix, AZ	***
Bull Moose Tube Company	Support (Petitioner)	Gerald, MO Chicago Heights, IL Casa Grande, AZ Masury, OH Trenton, GA	***
California Steel Industries	***	Fontana, CA	***

Table continued on next page.

[1] ***.

*** .

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

[2] The nine responding U.S. producers reported U.S. shipments of 942,159 short tons of CWP during 2015. *Preston Pipe & Tube Report* estimated total 2015 U.S. standard welded pipe shipments of 928,535 short tons. *Preston Pipe & Tube Report,* Vol. 34 No. 2, February, 2016, p. 53.

Table III-1—Continued
CWP: U.S. producers, their position on the petition, location of production, and share of reported production, 2015

Firm	Position on petition	Production location(s)	Share of production (percent)
Maruichi American Corporation	***	Santa Fe Springs, CA	***
Maruichi Leavitt Pipe & Tube, LLC	***	Chicago, IL	***
Steel Ventures dba EXLTUBE	Support (Petitioner)	North Kansas City, MO	***
TMK IPSCO	***	Blytheville, AK Camanche, IA Wilder, KY	***
Western Tube & Conduit Corporation	Support (Petitioner)	Long Beach, CA	***
Wheatland Tube LLC	Support (Petitioner)	Wheatland, PA Warren, OH Chicago, IL Sharon, PA	***
Total			***

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. ***. The other U.S. producers are owned by or related to companies based in ***, or the United States. *** reported importing *** short tons from *** in 2015, and *** reported importing *** short tons of subject merchandise from ***.

Table III-2
CWP: U.S. producers' ownership, related and/or affiliated firms, since January 2013

* * * * * * *

Changes in operations

Seven responding domestic producers reported changes in their operations related to the production of CWP since January 1, 2013. Wheatland reported that it re-opened its Sharon, Pennsylvania plant in 2011 (after idling it in 2008) only to idle it again in 2015.[3] Allied closed down one of its plants as it exited the sprinkler and fence tube market.[4] Three firms reported expansions, *** firm reported a ***, 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, 2013

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Subject product

Table III-4 and Figure III-1 present U.S. producers' CWP capacity, production, and capacity utilization. Domestic producers' capacity increased by 1.1 percent from 2013 to 2015 while production decreased by 3.1 percent from 2013 to 2015. Domestic producers' capacity was 13.7 percent lower in the interim period of 2016 than in January-June 2015 and production was 15.1 percent lower in January-June 2016 compared to the interim period of 2015. This is due to ***. Capacity utilization declined by 2.5 percentage points from 2013 to 2015 and was 1.0 percentage point lower in January-June 2016 than during the same period in 2015.

[3] The Sharon plant was a continuous weld mill that specialized in making products below 2 inches in diameter. Hearing transcript, pp. 22. (Boswell).

[4] ***.

Table III-4
CWP: U.S. producers' capacity, production, and capacity utilization, 2013-2015, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Capacity (short tons)				
Allied Tube & Conduit Corporation	***	***	***	***	***
Bull Moose Tube Company	***	***	***	***	***
California Steel Industries	***	***	***	***	***
Maruichi American Corporation	***	***	***	***	***
Maruichi Leavitt Pipe & Tube, LLC	***	***	***	***	***
Steel Ventures dba EXLTUBE	***	***	***	***	***
TMK IPSCO	***	***	***	***	***
Western Tube & Conduit Corporation	***	***	***	***	***
Wheatland Tube LLC	***	***	***	***	***
Total capacity	1,636,782	1,680,218	1,653,998	900,465	776,661
	Production (short tons)				
Allied Tube & Conduit Corporation	***	***	***	***	***
Bull Moose Tube Company	***	***	***	***	***
California Steel Industries	***	***	***	***	***
Maruichi American Corporation	***	***	***	***	***
Maruichi Leavitt Pipe & Tube, LLC	***	***	***	***	***
Steel Ventures dba EXLTUBE	***	***	***	***	***
TMK IPSCO	***	***	***	***	***
Western Tube & Conduit Corporation	***	***	***	***	***
Wheatland Tube LLC	***	***	***	***	***
Total production	1,009,640	991,816	978,804	541,011	459,309

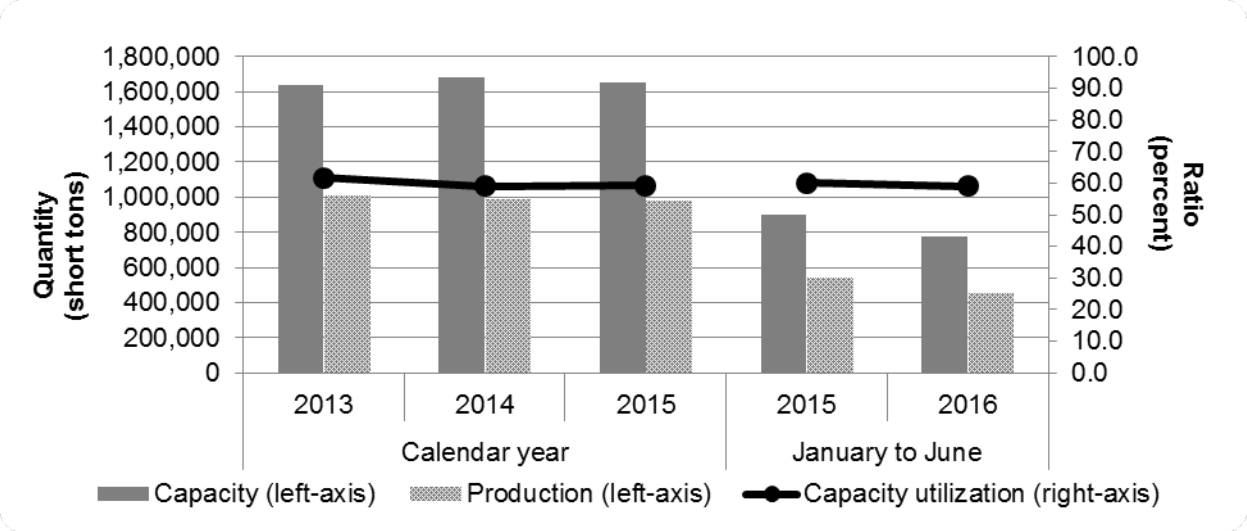
Table continued on next page.

Table III-4—Continued
CWP: U.S. producers' capacity, production, and capacity utilization, 2013-2015, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Capacity utilization ratio (percent)				
Allied Tube & Conduit Corporation	***	***	***	***	***
Bull Moose Tube Company	***	***	***	***	***
California Steel Industries	***	***	***	***	***
Maruichi American Corporation	***	***	***	***	***
Maruichi Leavitt Pipe & Tube, LLC	***	***	***	***	***
Steel Ventures dba EXLTUBE	***	***	***	***	***
TMK IPSCO	***	***	***	***	***
Western Tube & Conduit Corporation	***	***	***	***	***
Wheatland Tube LLC	***	***	***	***	***
Average capacity utilization	61.7	59.0	59.2	60.1	59.1

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

Figure III-1
CWP: U.S. producers' production, capacity, and capacity utilization, 2013-15, January to June 2015, and January to June 2016



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

Overall production, capacity, and capacity utilization

Table III-5 presents U.S. producers' overall production, capacity, and capacity utilization on the same equipment as subject production. Domestic producers' overall capacity increased by 0.8 percent from 2013 to 2015 while overall production decreased by 25.9 percent from

2013 to 2015.[5] Domestic producers' overall capacity was 3.4 percent higher in the interim period of 2016 compared to the interim period of 2015 while overall production was 21.0 percent lower. The difference in overall production from the interim 2015 to the interim 2016 period is largely due to lower levels of production of line pipe (*** percent lower in interim 2016 than 2015) and OCTG (*** percent lower in interim 2016 than 2015).[6] Overall capacity utilization declined by 17.8 percentage points from 2013 to 2015 and was 12.9 percentage points lower in the interim period of 2016 compared to the interim period of 2015. This difference is largely due to ***.

Table III-5
CWP: U.S. producers' overall capacity, capacity utilization, and production on the same equipment as subject production, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
Overall capacity	3,978,890	4,003,478	4,009,337	2,077,966	2,149,261
Production:					
CWP	1,009,640	991,816	978,804	541,011	459,309
Line pipe up to 16 inches	***	***	***	***	***
Line pipe above 16 inches	***	***	***	***	***
Mechanical tubing	***	***	***	***	***
OCTG	***	***	***	***	***
All other products	***	***	***	***	***
Out-of-scope production	1,677,793	1,568,502	1,012,994	597,585	440,766
Total production on same machinery	2,687,433	2,560,318	1,991,798	1,138,596	900,075

Table continued on next page.

[5] California Steel opened an ERW pipe plant in Fontana, California in September 2014, which is capable of producing up to 400,000 tons of line pipe per year at diameters up to 24 inches. See *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.

[6] The decline in OCTG and line pipe production is in part 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 had 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.

Oilfield service company Baker Hughes notes that from September 18, 2015 to September 16, 2016, the count of rotary rigs decreased by 336. Baker Hughes, "Rig Count Overview & Summary Count", http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsoverview, retrieved September 20, 2016.

Table III-5—Continued
CWP: U.S. producers' overall capacity, capacity utilization, and production on the same equipment as subject production, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Ratios and shares (percent)				
Overall capacity utilization	67.5	64.0	49.7	54.8	41.9
Share of production:					
CWP	37.6	38.7	49.1	47.5	51.0
Line pipe up to 16 inches	***	***	***	***	***
Line pipe above 16 inches	***	***	***	***	***
Mechanical tubing	***	***	***	***	***
OCTG	***	***	***	***	***
All other products	***	***	***	***	***
Out-of-scope production	62.4	61.3	50.9	52.5	49.0
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

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

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 2.8 percent from 2013 to 2015, while their exports decreased by 25.4 percent from 2013 to 2015. Domestic producers' U.S. shipments were 11.8 percent lower in the interim period of 2016 compared to the interim period of 2015, while exports were 41.3 percent lower in the interim period of 2016 compared to the interim period of 2015.[7]

The average unit values of U.S. shipments decreased by 5.3 percent from 2013 to 2015 while exports average unit values decreased by 3.3 percent in the same period. The average unit values of U.S. shipments were 4.5 percent lower in the interim period of 2016 compared to the interim period of 2015, while average unit values of exports were 15.7 percent lower in the interim period of 2016 compared to the interim period of 2015.

[7] Principal export markets include ***.

Table III-6
CWP: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	969,534	951,925	942,159	500,641	441,437
Export shipments	44,794	34,752	33,421	19,337	11,346
Total shipments	1,014,328	986,677	975,580	519,978	452,783
	Value (1,000 dollars)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	942,320	975,549	867,173	462,709	389,425
Export shipments	43,368	35,124	31,286	18,532	9,163
Total shipments	985,688	1,010,673	898,459	481,241	398,588
	Unit value (dollars per short ton)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	972	1,025	920	924	882
Export shipments	968	1,011	936	958	808
Total shipments	972	1,024	921	926	880
	Share of quantity (percent)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	95.6	96.5	96.6	96.3	97.5
Export shipments	4.4	3.5	3.4	3.7	2.5
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	95.6	96.5	96.5	96.1	97.7
Export shipments	4.4	3.5	3.5	3.9	2.3
Total shipments	100.0	100.0	100.0	100.0	100.0

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

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 decreased by 29.5 percent from 2013 to 2015. Inventories were 39.1 percent lower in the interim period of 2016 compared to the interim period of 2015.

Table III-7
CWP: U.S. producers' inventories, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
U.S. producers' end-of-period inventories	131,792	112,638	92,899	143,204	87,186
	Ratio (percent)				
Ratio of inventories to.--					
U.S. Production	13.1	11.4	9.5	13.2	9.5
U.S. shipments	13.6	11.8	9.9	14.3	9.9
Total shipments	13.0	11.4	9.5	13.8	9.6

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

As reported in Table III-8, *** was the only U.S. producer to report CWP imports from a subject country. These imports were equivalent to *** percent of its production during 2015.[8] *** reported ***. *** reported purchasing *** short tons of CWP in 2015, which was ***.[9] *** reported purchasing *** short tons of CWP in 2015, which was ***.[10]

Table III-8
CWP: U.S. producers' direct imports from subject countries, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-9 shows U.S. producers' employment-related data. From 2013 to 2015 the number of production and related workers ("PRWs") in the domestic industry increased by 4.5 percent. The number of PRWs in the interim period of 2016 was 16.9 percent lower compared to the interim period of 2015.[11] Hourly wages rose 12.9 percent from 2013 to 2015 but productivity declined 5.6 percent during the same period. The United Steel, Paper, Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW") represents workers at Bull Moose, Maverick, Maruichi-Levitt, TMK IPSCO, and Wheatland, and represented workers at Allied and U.S. Steel. The USW believes that these

[8] ***.
[9] ***.
[10] ***.
[11] Wheatland Tube's Sharon, Pennsylvania plant was idled in September 2015. Preceding this, the company sent out 'warning notices' to over 100 workers in June 2015. Hearing transcript, pp. 22. (Boswell).

companies comprised approximately 80 percent of the workforce producing CWP during the POI.[12]

Table III-9
CWP: U.S. producers' employment-related data, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
Production and related workers (PRWs) (number)	1,225	1,252	1,280	1,364	1,133
Total hours worked (1,000 hours)	2,634	2,513	2,704	1,434	1,053
Hours worked per PRW (hours)	2,150	2,007	2,113	1,051	929
Wages paid ($1,000)	75,326	76,846	87,301	44,916	47,353
Hourly wages (dollars per hour)	$28.60	$30.58	$32.29	$31.32	$44.97
Productivity (short tons per 1,000 hours)	383.3	394.7	362.0	377.3	436.2
Unit labor costs (dollars per short ton)	$74.61	$77.48	$89.19	$83.02	$103.10

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

[12] Hearing transcript, p. 31. (Houseman).

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

U.S. IMPORTERS

The Commission issued importer questionnaires to 135 firms believed to be importers of CWP, as well as to all U.S. producers of CWP.[1] Usable questionnaire responses were received from 35 companies. Coverage of responding firms[2] represents *** percent of official U.S. imports from subject countries during 2015.[3] [4] Responding firms accounted for *** percent of

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[1] The Commission issued questionnaires to those firms identified in the petition and *** under 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, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The Commission staff previously found that most subject products are imported under seven HTS statistical reporting numbers ("Primary HTS numbers"): 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. However, in some cases subject product could enter under other HTS statistical reporting numbers than listed above. In the final phase of these investigations, the Commission's U.S. importers' questionnaire gathered data on the quantity of such imports.

[2] "Responding firms" includes the 35 firms which provided usable questionnaire responses and the following firms which provided certification that they have not imported CWP into the U.S. since January 2013: ***.

[3] This staff report presents an alternative compilation of U.S. imports data than was presented in the prehearing report. U.S. imports presented in tables IV-1, IV-2, IV-3, IV-12, and IV-13 are based on data submitted in response to Commission questionnaires, with additional data included from proprietary Customs records ("Customs supplement"). The Customs supplement adds in U.S. imports reported under the primary HTS numbers for those firms that did not provide a questionnaire response (i.e. excluding firms that either a completed questionnaire or certified "No" that they were not an importer of circular welded pipe since January 1, 2013.)

This revised dataset is more comprehensive than the previous methodology as questionnaire responses were designed to capture the total amount of in-scope CWP imports regardless of how they were classified under the HTS for Customs purposes. Leading with questionnaire data plus a Customs data supplement is appropriate given the relatively high coverage for subject and non-subject sources (see Part I for data on coverage ratios).

[4] In the prehearing report, official U.S. import totals were based on the primary HTS numbers, with adjustments to: (1) separate out U.S. imports from subject Vietnam firms from nonsubject Vietnam firms using proprietary Customs records; (2) reduce the aggregate quantities of U.S. imports from Canada and Mexico since there was (and continues to be) record evidence that significant volumes of imports under the primary HTS numbers from these sources are out-of-scope; and (3) add certain in-scope merchandise imported under numbers other than the "primary HTS numbers" as gathered in the U.S. importers' questionnaire. In the staff report, a further modified version of this methodology has been retained for tables IV-4, IV-5, and IV-11 (tables that involved monthly imports). In the staff report, these tables have been further adjusted to incorporate imports under the "secondary HTS numbers" for *** and *** based on proprietary Customs records.

official import statistics from Oman, *** percent from Pakistan, *** percent from the UAE, and *** percent from Vietnam[5] during 2015. 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 in 2015.

U.S. IMPORTS

Table IV-2 and figure IV-1 present data for U.S. imports of CWP from subject countries[6] and all other sources. Imports of CWP from the subject countries increased overall by *** percent from 2013 to 2015, but were *** percent lower in the interim period of 2016 compared to the interim period of 2015. As a share of total imports, subject imports increased from *** percent in 2013 to *** percent in 2015. Subject imports accounted for *** percent of total imports in the interim period of 2015 and *** percent of total U.S. imports in the interim period of 2016. The average unit values of subject imports decreased by *** percent from 2013 to 2015, and were *** percent lower in the interim period of 2016 compared to the interim period of 2015.

Korea was the largest nonsubject source for U.S. imports of CWP in 2015, accounting for *** percent of the quantity of total U.S. imports of CWP in 2015. U.S. imports from all nonsubject countries combined increased by *** percent from 2013 to 2015, but were *** percent lower during the interim period of 2016 compared to the interim period of 2015. The average unit values of nonsubject imports decreased by *** percent from 2013 to 2015, and were *** percent lower during the interim period of 2016 compared with the interim period of 2015.

[5] Coverage for subject Vietnamese firms was *** percent.

[6] Based on analysis of proprietary Customs data, staff believes that importer ***.

Table IV-1
CWP: U.S. importers, their headquarters, and share of total imports by source, 2015

Firm	Headquarters	Share of imports by source (percent)					
		Oman	Pakistan	UAE	Vietnam subject	Subject sources	Vietnam nonsubject
AIFP	Beaverton, OR	***	***	***	***	***	***
Ajmal Steel	Abu Dhabi, U.A.E,	***	***	***	***	***	***
Al Jazeera	Sohar,	***	***	***	***	***	***
Benteler Steel & Tube	Houston, TX	***	***	***	***	***	***
Borusan Mannesmann Boru Sanayi Ve Ticaret A.S.	Istanbul,	***	***	***	***	***	***
Bull Moose Tube	Chesterfield, MO	***	***	***	***	***	***
C&F International	Houston, TX	***	***	***	***	***	***
Commercial Metals Company	Irving, TX	***	***	***	***	***	***
Connectors	Hauppauge, NY	***	***	***	***	***	***
Corpac Steel Product	Aventura, FL	***	***	***	***	***	***
Empire Resources	Fort Lee, NJ	***	***	***	***	***	***
Ferrum International	New York, NY	***	***	***	***	***	***
Husteel Usa, Inc.	Houston, TX	***	***	***	***	***	***
Intermetalink	Montreal, QC	***	***	***	***	***	***
James Steel, Inc.	La Palma, CA	***	***	***	***	***	***
Kurt Orban	Burlingame, CA	***	***	***	***	***	***
Lamina Y Placa Comercial S.A. De C.V.	Monterrey, NL	***	***	***	***	***	***
Leo International	Brooklyn, NY	***	***	***	***	***	***
Marubeni-Itochu Steel Canada Inc.	Burnaby, BC	***	***	***	***	***	***
Maruichi American	Santa Fe Springs, CA	***	***	***	***	***	***
Midwest Air Technologies	Long Grove, IL	***	***	***	***	***	***
Optima	Concord, CA	***	***	***	***	***	***
Perfiles Y Herrajes	Apodaca, NL	***	***	***	***	***	***
QT Trading, LP	Wilmington, DE	***	***	***	***	***	***
Regiopytsa	Apodaca, N.L.,	***	***	***	***	***	***
S&P Steel And Products	Houston, TX	***	***	***	***	***	***
Seah Steel	Irvine, CA	***	***	***	***	***	***
Sumitomo	Houston, TX	***	***	***	***	***	***
Sunbelt Group	Houston, TX	***	***	***	***	***	***
Thyssenkrupp Materials	Southfield, MI	***	***	***	***	***	***
Toyota Tsusho	Georgetown, KY	***	***	***	***	***	***
UTP Pipe USA Corp & Prime Metal	Walden, NY	***	***	***	***	***	***
Welded Tube of Canada Corp.	Concord, ON	***	***	***	***	***	***
Zenith	Arlington, VA	***	***	***	***	***	***
Zipco	Little Neck, NY	***	***	***	***	***	***
All other firms	,	***	***	***	***	***	***
Total		***	***	***	***	***	***

Table continued on next page.

Table IV-1—Continued
CWP: U.S. importers, their headquarters, and share of total imports by source, 2015

Firm	Share of imports by source (percent)					
	Canada	Mexico	Korea	All other sources	Nonsubject sources	All sources
AIFP	***	***	***	***	***	***
Ajmal Steel	***	***	***	***	***	***
Al Jazeera	***	***	***	***	***	***
Benteler Steel & Tube	***	***	***	***	***	***
Borusan Mannesmann Boru Sanayi Ve Ticaret A.S.	***	***	***	***	***	***
Bull Moose Tube	***	***	***	***	***	***
C&F International	***	***	***	***	***	***
Commercial Metals Company	***	***	***	***	***	***
Connectors	***	***	***	***	***	***
Corpac Steel Product	***	***	***	***	***	***
Empire Resources	***	***	***	***	***	***
Ferrum International	***	***	***	***	***	***
Husteel Usa, Inc.	***	***	***	***	***	***
Intermetalink	***	***	***	***	***	***
James Steel, Inc.	***	***	***	***	***	***
Kurt Orban	***	***	***	***	***	***
Lamina y Placa Comercial S.A. de C.V.	***	***	***	***	***	***
Leo International	***	***	***	***	***	***
Marubeni-Itochu Steel Canada Inc.	***	***	***	***	***	***
Maruichi American	***	***	***	***	***	***
Midwest Air Technologies	***	***	***	***	***	***
Optima	***	***	***	***	***	***
Perfiles y Herrajes	***	***	***	***	***	***
QT Trading, LP	***	***	***	***	***	***
Regiopytsa	***	***	***	***	***	***
S&P Steel and Products	***	***	***	***	***	***
SeAH Steel	***	***	***	***	***	***
Sumitomo	***	***	***	***	***	***
Sunbelt Group	***	***	***	***	***	***
ThyssenKrupp Materials	***	***	***	***	***	***
Toyota Tsusho	***	***	***	***	***	***
UTP Pipe USA Corp & Prime Metal	***	***	***	***	***	***
Welded Tube of Canada Corp.	***	***	***	***	***	***
Zenith	***	***	***	***	***	***
Zipco	***	***	***	***	***	***
All other firms	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Table IV-2
CWP: U.S. imports by source, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
U.S. imports from--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	665,994	760,511	853,248	525,466	385,187
	Value (1,000 dollars)				
U.S. imports from--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	608,521	670,684	713,374	449,218	295,806

Table continued on next page.

Table IV-2—Continued
CWP: U.S. imports by source, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Unit value (dollars per short ton)				
U.S. imports from--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	914	882	836	855	768
	Share of quantity (percent)				
U.S. imports from--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	***	***	***	***	***

Table continued on next page.

Table IV-2—Continued
CWP: U.S. imports by source, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Share of value (percent)				
U.S. importers from--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
	Ratio to U.S. production				
U.S. importers from--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	66.0	76.7	87.2	97.1	83.9

Source: Compiled from data submitted in response to Commission questionnaires and adjusted official import statistics based on HTS numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

Figure IV-1
CWP: U.S. import volumes and average unit value, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[7] 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 theimports 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.[8]

As shown in Table IV-3, imports from Oman and the UAE exceed the 3 percent of imports by quantity threshold. Pakistan accounts for *** percent, which is below the 4 percent negligibility threshold for developing countries subject to CVD investigations, while subject Vietnamese firms account for *** percent.[9]

Table IV-4 presents negligibility data using the methodology described in the prehearing report. While the percentages change slightly, subject countries remain within similar thresholds.

[7] 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)).

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

[9] Section 771 (24)(B) of the Act (19 U.S.C § 1677(24)(B)). Pakistan qualifies as a developing country and is eligible for the 4 percent negligibility threshold in CVD investigations. 15 C.F.R. § 2013.1.

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

* * * * * * *

Table IV-4
CWP: U.S. imports, by source, October 2014 to September 2015: Prehearing Methodology

* * * * * * *

Table IV-5
CWP: U.S. imports, by source, October 2014 to September 2015: Prehearing Methodology

* * * * * * *

Figure IV-2
CWP: Share of total U.S. imports in 12 month aggregates, 2015

* * * * * * *

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.

Fungibility

Petitioners argue that CWP is a 'fungible commodity'.[10] Pakistani Respondents argue that, while CWP may be substitutable 'as a technical matter', Pakistani pipe does not undergo the strict testing required for certification as ASTM A53 pipe, and cannot be used in the same commercial applications as A53 pipe.[11]

As shown in table IV-6, the majority of imported CWP during 2015 was made to ASTM A53 standards in all subject countries, with the exception of Pakistan. From Pakistan, *** percent of CWP imports were made to no formal industry standards. U.S. production is also

[10] Petitioners' prehearing brief, p. 6, 9.
[11] Pakistan's prehearing brief, p. 6, 34.

mostly comprised of CWP made to ASTM A53 standards;[12] however, ASTM A135 or A795 account for *** percent of U.S. production, a larger share than any of the subject countries.

Table IV-6
CWP: U.S. producers' and U.S. importers' U.S. shipments by standard, 2015

* * * * * * *

Table IV-7 shows that the most common end finish for U.S. producers and U.S. importers was plain end or square cut, followed by beveled finishes. Black, galvanized, and other surface finishes were the most commonly reported type of finishes, and a majority of firms reported U.S. shipments by single random lengths (approximately 20 feet).

Table IV-7
CWP: U.S. producers and U.S. importers shipping product with various attributes, 2015

Item	U.S. producers	U.S. importers						
		Oman	Pakistan	UAE	Vietnam, subject	Subject sources	Non-subject sources	All sources
	Number of firms (count)							
Firms with U.S. shipments by end finish.--								
Plain end/ square cut	9	6	3	8	2	15	19	26
Beveled	6	6	1	4	2	11	13	20
Threaded	2	4	0	4	0	7	8	13
Threaded and coupled	1	6	0	5	0	9	11	16
Other end finishes	1	2	0	1	1	4	1	5
Total responding firms: end finish	9	6	3	8	4	17	21	29
	Number of firms (count)							
Firms with U.S. shipments by surface finish.--								
Black	6	6	0	6	2	12	18	24
Plainted	3	1	0	1	0	2	1	3
Galvanized	5	6	2	8	1	14	13	22
Other surface finishes	5	1	0	0	0	1	0	1
Total responding firms: surface finish	9	6	2	8	3	16	20	29
	Number of firms (count)							
Firms with U.S. shipments by pipe length.--								
Single random lenghts (approx. 20 feet)	9	5	1	7	3	14	16	25
Double random lengths (approx. 40 feet)	7	2	0	2	1	5	12	14
Triple random lengths (approx. 60 feet)	2	0	0	0	0	0	0	0
Quadruple random lengths (approx. 80 feet)	1	0	0	0	0	0	0	0
Other lengths	1	5	1	4	1	10	2	10
Total responding firms: pipe length	9	6	2	8	3	16	20	29

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

[12] U.S. producer *** did not provide specific numbers for U.S. shipments by production standard and so is not reflected in this table, but noted that ***.

As shown in Table IV-8, the majority of imported CWP from subject sources during 2015 was made to nominal pipe size ½ through 2, with the exception of subject Vietnamese firms, from which *** percent of CWP imports were made to nominal pipe size 9 through 16. U.S. shipments are mostly comprised of CWP made to nominal pipe size ½ to 2. Table IV-9 shows that a majority of imported CWP in 2015 was made to Schedules 20, 30, 40s, and 40. From subject Vietnamese firms, *** percent of CWP imports were made to other wall thicknesses. Regarding U.S. shipments, *** percent of CWP was made to schedules 20, 30, 40s, and 40.

Table IV-8
CWP: U.S. producers and U.S. importers U.S. shipments by nominal pipe size, 2015

Item	U.S. producers	U.S. importers					U.S. producers and U.S. importers combined
		Oman	Pakistan	UAE	Vietnam, subject	Non-subject sources	
	Quantity (short tons)						
U.S. shipments by nomimal pipe size.--1/2 to 2	***	***	***	***	***	***	559,541
2 1/2 to 3 1/2	***	***	***	***	***	***	291,732
4 to 8	***	***	***	***	***	***	304,085
9 to 16	***	***	***	***	***	***	142,416
Total U.S. shipments	701,674	***	***	***	***	421,988	1,297,774
	Share of quantity down (percent)						
U.S. shipments by nomimal pipe size.--1/2 to 2	***	***	***	***	***	***	43.1
2 1/2 to 3 1/2	***	***	***	***	***	***	22.5
4 to 8	***	***	***	***	***	***	23.4
9 to 16	***	***	***	***	***	***	11.0
Total U.S. shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Share of quantity across (percent)						
U.S. shipments by nomimal pipe size.--1/2 to 2	***	***	***	***	***	***	100.0
2 1/2 to 3 1/2	***	***	***	***	***	***	100.0
4 to 8	***	***	***	***	***	***	100.0
9 to 16	***	***	***	***	***	***	100.0
Total U.S. shipments	54.1	***	***	***	***	32.5	100.0

Note--Greater detail provided in appendix D.
Note--This data does not include ***.

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

Table IV-9
CWP: U.S. producers and U.S. importers U.S. shipments by wall thickness, 2015

Item	U.S. producers	U.S. importers					U.S. producers and U.S. importers combined
		Oman	Pakistan	UAE	Vietnam, subject	Non-subject sources	
	Quantity (short tons)						
U.S. shipments by wall thickness.-- Schedules 5s and 5	***	***	***	***	***	***	***
Schedules 10s and 10	***	***	***	***	***	***	***
Schedules 20,30, 40s, and 40 Q	***	***	***	***	***	***	***
All other wall thicknesses Q	***	***	***	***	***	***	***
Total U.S. shipments	701,674	***	***	***	***	421,988	1,297,774
	Share of quantity down (percent)						
U.S. shipments by wall thickness.-- Schedules 5s and 5	***	***	***	***	***	***	***
Schedules 10s and 10	***	***	***	***	***	***	***
Schedules 20,30, 40s, and 40 Q	***	***	***	***	***	66.8	60.0
All other wall thicknesses Q	***	***	***	***	***	28.4	29.4
Total U.S. shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Share of quantity across (percent)						
U.S. shipments by wall thickness.-- Schedules 5s and 5	***	***	***	***	***	***	***
Schedules 10s and 10	***	***	***	***	***	***	***
Schedules 20,30, 40s, and 40 Q	***	***	***	***	***	***	***
All other wall thicknesses Q	***	***	***	***	***	***	***
Total U.S. shipments	54.1	***	***	***	***	32.5	100.0

Note--Greater detail provided in appendix D.
Note--This data does not include ***.

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

Geographical markets

As shown in Table IV-10[13], in 2015 most U.S. imports of CWP, by volume, came from southern points of entry for every subject country except for the UAE. Imports of CWP from UAE entered primarily through eastern points of entry, followed by southern points of entry.

[13] Data for U.S. imports by border of entry rely on the prehearing report's methodology of beginning with official U.S. imports statistics and making certain modifications to the reported data based on proprietary Customs records and other record evidence, but do not use additional questionnaire data.

Table IV-10
CWP: U.S. imports, by source and border of entry, 2015

Item	East	North	South	West	Total
	Quantity (short tons)				
U.S. imports from.-- Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	126,368	74,479	329,060	184,631	714,538
	Share of total by source (percent across)				
U.S. imports from.-- Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	17.7	10.4	46.1	25.8	100.0

Table Continued on next page.

Table IV-10—Continued
CWP: U.S. imports, by source and border of entry, 2015

Item	East	North	South	West	Total
	Share of total by border (percent down)				
U.S. imports from.--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Note.--These data exclude additional questionnaire data that were included in the prehearing report.

Source: Adjusted official import statistics based on HTS numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

Presence in the market

Table IV-11 presents monthly imports of CWP from subject and nonsubject sources from January 2013 through June 2016. Subject imports from Oman, the UAE, and Vietnam were present in all 42 months. Imports from Pakistan were present in 38 months. Imports of CWP from all other sources were present in all 42 months.

Table IV-11
CWP: U.S. imports, by source and month of entry, January 2013 through June 2016

* * * * * * *

Figure IV-3
CWP: U.S. imports, by source and month of entry, January 2013—June 2016

* * * * * * *

APPARENT U.S. CONSUMPTION

Tables IV-12 and IV-13, and Figure IV-4, present data on apparent U.S. consumption and U.S. market shares for CWP. Apparent consumption grew by 10.1 percent from 2013 to 2015, but was 19.3 percent lower in the interim period of 2016 compared to the interim period of 2015.

The U.S. producers' market share decreased by 6.9 percentage points from 2013 to 2015 and the market share held by subject imports increased by *** percentage points during the same period. U.S. producers' market share was 4.5 percentage points higher in the interim period of 2016 compared to the same period in 2015, while subject imports' market share was *** percentage points lower in the interim period of 2016 compared to the same period in 2015. The market share of non-subject imports increased by *** percentage points from 2013 to 2015 but was *** percentage points lower in the interim 2016 period compared to the same period in 2015.

Table IV-12
CWP: Apparent U.S. consumption, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
U.S. producers' U.S. shipments	969,534	951,925	942,159	500,641	441,437
U.S. importers' U.S. shipments of imports from.--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	677,042	751,219	870,744	534,663	393,970
Apparent U.S. consumption	1,646,576	1,703,144	1,812,903	1,035,304	835,407
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	942,320	975,549	867,173	462,709	389,425
U.S. importers' U.S. shipments of imports from.--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	648,869	691,234	754,771	472,971	315,004
Apparent U.S. consumption	1,591,189	1,666,783	1,621,944	935,680	704,429

Source: Compiled from data submitted in response to Commission questionnaires and adjusted official import statistics based on HTS numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

Table IV-13
CWP: Market shares, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
Apparent U.S. consumption	1,646,576	1,703,144	1,812,903	1,035,304	835,407
	Share of quantity (percent)				
U.S. producers' U.S. shipments	58.9	55.9	52.0	48.4	52.8
U.S. importers' U.S. shipments of imports from.--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	41.1	44.1	48.0	51.6	47.2
	Value (1,000 dollars)				
Apparent U.S. consumption	1,591,189	1,666,783	1,621,944	935,680	704,429
	Share of value (percent)				
U.S. producers' U.S. shipments	59.2	58.5	53.5	49.5	55.3
U.S. importers' U.S. shipments of imports from.--					
Oman	***	***	***	***	***
Pakistan	***	***	***	***	***
United Arab Emirates	***	***	***	***	***
Vietnam, subject	***	***	***	***	***
Subject sources	***	***	***	***	***
Subject sources less Vietnam	***	***	***	***	***
Canada	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus all of Vietnam	***	***	***	***	***
Total U.S. imports	40.8	41.5	46.5	50.5	44.7

Source: Compiled from data submitted in response to Commission questionnaires and adjusted official import statistics based on HTS numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

Figure IV-4
CWP: Apparent U.S Consumption, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

PART V: PRICING DATA

FACTORS AFFECTING PRICES

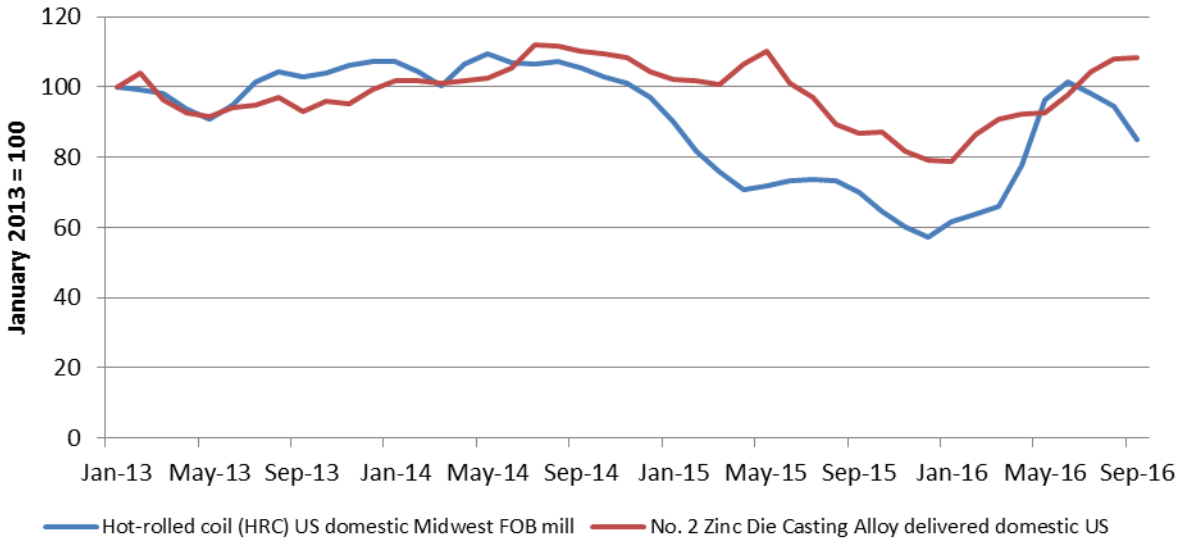
Raw material costs

Raw materials constitute a substantial portion of the final cost of CWP. U.S. producers' raw materials costs represented about 70 percent of the cost of goods sold (COGS) from January 2013 to June 2016. 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 material prices have decreased or fluctuated since January 2013, as the global price for hot-rolled steel and zinc fluctuated. Between January 2013-December 2015, prices for hot-rolled steel decreased by nearly 40 percent and zinc prices declined by nearly 20 percent (figure V-1). However, since early 2016, both hot-rolled steel and zinc prices increased and returned to early 2013 levels.

Figure V-1

Raw material costs: U.S. price indexes of hot rolled steel and zinc, monthly, January 2013-September 2016



Source: American Metal Market, October 31, 2016.

During the preliminary phases of these investigations, U.S. producer Wheatland reported that it purchases approximately 98 percent of its raw materials in the spot market.[1] U.S. producer EXLTUBE reported that it purchased raw materials via longer-term contracts with prices being established monthly.[2] U.S. producer Bull Moose reported that ***.[3]

[1] Conference transcript p. 48 (Seeger).
[2] Conference transcript p. 49 (Simon).

U.S. producer Bull Moose reported that changes in raw material costs can either instantaneously affect prices, or if producers are trying to maintain or recover margins, they may try to delay the reflection of lower raw material costs in the price of CWP.[4] Omani importer Al Jazeera stated that its pricing is a direct reflection of coil costs at the time of the order for CWP.[5] Respondents stated that there are time lags between purchasing hot-rolled coil and selling finished CWP, since U.S. producers reported holding between 4 to 8 weeks of hot-rolled coil inventory.[6]

U.S. inland transportation costs

*** of nine responding U.S. producers reported that they typically arrange transportation to their customers, while 15 of 24 importers reported that their customers typically arrange transportation. U.S. producers reported that their U.S. inland transportation costs ranged from *** to *** percent with an average of 6.7 percent, while importers reported costs of *** to *** percent with an average of 9.4 percent.

PRICING PRACTICES

Pricing methods

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

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

Method	U.S. producers	U.S. importers
Transaction-by-transaction	***	26
Contract	4	4
Set price list	5	5
Other	***	0

[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.

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 in 2015 (table V-2). Two U.S. producers (***) reported selling CWP exclusively in the spot

(…*continued*)

[3] Petitioners' postconference brief, exhibit 13 p. 2.

[4] Hearing transcript, p. 73 (Blatz).

[5] Hearing transcript, pp. 124 (Chowdhuri), 182 (Dougan), 188 (Simon), and 194 (Dougan).

[6] IIL's posthearing brief, p.35.

market. Six of eight responding U.S. producers also reported selling CWP under short-term contracts. Nine importers reported selling exclusively on the spot market as well, five importers reported selling exclusively through short-term contracts, and four importers reported a mix of both short-term contract sales and sales on the spot market. Importer ***, sells primarily to *** reported selling CWP on an annual contract basis.

Table V-2
CWP: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2015

Item	U.S. producers	Subject U.S. importers
	Share (percent)	
Share of commercial U.S. shipments.--		
Long-term contracts	***	0.0
Annual contract	***	6.9
Short-term contracts	***	62.0
Spot sales	***	31.1

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

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

U.S. producers reported that short-term contracts ranged from 30-90 days, while importers reported a range of 30-180 days. Short-term contracts with U.S. producers fix price, and do not allow for price renegotiation or provide meet-or-release provisions.[7] Short-term contracts with most responding importers fix both price and quantity, do not allow for price renegotiation or provide meet-or-release provisions. Three of five U.S. producers reported indexing their contract prices to raw materials.[8] Respondents stated that their contracts are negotiated sale by sale and are not indexed to raw materials.[9]

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b. basis, and importers' responses were mixed with importers quoting prices on either an f.o.b. or delivered basis. Some producers (3 of 9) and most importers (25 of 30) reported no official discount policy. Some U.S. producers reported offering quantity discounts (*** of 9) and total volume discounts (*** of 9). Producer *** reported offering discounts for timely payments, and *** reported offering rebates to large customers (with discounts ranging from 2 to 6 percent). Two importers reported offering cash discounts. Importer *** reported offering a volume rebate ***.

[7] U.S. producer *** reported fixing both price and quantity, and including a meet-or-release provision.

[8] No responding importer reported indexing contract prices to raw materials.

[9] Hearing transcript, p. 189 (Blair, Cameron).

*** producers reported sales terms of net 30 days, *** producers reported sales terms of ½ 10 net 30, and *** producers reported offering sales terms of 2/10 net 30. Most importers (19 of 24) reported net 30 days sales terms, and five importers reported net 60 days sales terms.[10]

Price leadership

Purchasers reported a large number of price leaders, most of whom were domestic producers. The most commonly cited producers were Atlas Tube (13 purchasers) and Wheatland Tube (12 purchasers).

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 2013-June 2016. Prices were requested for shipments to distributors, end users, and retailers. Most importers provided price data for shipments to distributors only, *** which sold to retailers.

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; and

Product 4.-- Schedule 40 galvanized fence tube, with nominal outside diameter of 1-1/4 – 3 inches, inclusive.[11]

Six U.S. producers[12] and 20 importers provided usable pricing data for sales of the requested products on subject imports, although not all firms reported pricing for all products

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[10] Importer *** reported sales terms of ***.

[11] Most U.S. producers and importers reported that their sales of pricing product 4 were not produced to ATSM standards. U.S. producer *** reported that *** percent of its commercial shipments of this product were to ATSM standards *** in 2015. Three importers reported that 100 percent of their shipments were produced to ATSM standard *** in 2015. Two importers reported 10 and 90 percent of their 2015 shipments were to ATSM standards, but did not specify.

Respondents stated that domestic product prices ***. IIL's posthearing brief, p. 10, and *Responses to Commissioner Questions*, p. 88. However, U.S. producer Wheatland Tube reported that "high-performance products…are a very small percentage of what we produce in fence products" and that Wheatland's pricing data ***. Petitioners' posthearing brief, *Answers to Commissioner Questions,* p. 24.

[12] Nine U.S. producers provided price data during the preliminary investigations. Two U.S. producers stated that they had incorrectly reported pricing data during the preliminary investigations and did not

(*continued*...)

for all quarters.[13] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' shipments, and approximately *** percent of U.S. commercial shipments of subject imports in 2015. Pricing data reported by importers of CWP accounted for *** percent of U.S. commercial shipments of subject imports from Oman, *** percent from Pakistan; *** percent from the UAE; and *** percent of subject imports from Vietnam[14] in 2015.

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.

Table V-3

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

* * * * * * *

(…*continued*)

provide pricing data in the final investigations. See staff emails with *** on September 14, 2016 and with *** on September 20, 2016.

[13] 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.

[14] Excludes nonsubject Vietnamese firm SeAH.

Table V-4

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

Distributors

Period	United States		Oman			Pakistan		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2013:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	924	357	***	***	***	***
Jul.-Sep.	***	***	959	383	***	---	***	---
Oct.-Dec.	***	***	897	694	***	***	***	***
2014:								
Jan.-Mar.	***	***	889	756	***	***	***	***
Apr.-Jun.	***	***	***	***	***	---	***	---
Jul.-Sep.	***	***	879	587	***	---	***	---
Oct.-Dec.	***	***	734	447	***	***	***	***
2015:								
Jan.-Mar.	***	***	920	532	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	---	***	---
Oct.-Dec.	***	***	***	***	***	***	***	***
2016:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***

Period	United Arab Emirates			Vietnam subject		
	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2013:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	***	***	***	---	***	---
Jul.-Sep.	***	***	***	---	***	---
Oct.-Dec.	***	***	***	---	***	---
2014:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	***	***	***	---	***	---
Jul.-Sep.	***	***	***	---	***	---
Oct.-Dec.	***	***	***	---	***	---
2015:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	***	***	***	---	***	---
Jul.-Sep.	***	***	***	---	***	---
Oct.-Dec.	***	***	***	---	***	---
2016:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	***	***	***	---	***	---

Table continued.

Table V-4 -- Continued

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

End users

* * * * * * *

[1] Product 2: ASTM A-53 schedule 40 galvanized plain-end, with nominal outside diameter of 2-4 inches inclusive.

Note.-- Staff removed pricing data reported for Q2 2013 to distributors for UAE from importer *** after receiving no response to staff's request for revision. See staff email to ***, October 20, 2016.

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

Table V-5

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

Distributors

Period	United States		Oman			Pakistan		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2013:								
Jan.-Mar.	885	9,844	***	***	***	---	***	---
Apr.-Jun.	860	10,236	***	***	***	---	***	---
Jul.-Sep.	863	11,883	797	336	7.6	---	***	---
Oct.-Dec.	882	9,489	***	***	***	---	***	---
2014:								
Jan.-Mar.	899	8,446	799	606	11.2	---	***	---
Apr.-Jun.	894	10,646	***	***	***	---	***	---
Jul.-Sep.	907	11,163	796	429	12.2	---	***	---
Oct.-Dec.	891	10,383	***	***	***	---	***	---
2015:								
Jan.-Mar.	856	11,217	802	539	6.3	---	***	---
Apr.-Jun.	744	9,111	***	***	***	---	***	---
Jul.-Sep.	701	8,864	***	***	***	---	***	---
Oct.-Dec.	666	9,221	***	***	***	***	***	***
2016:								
Jan.-Mar.	645	8,659	***	***	***	***	***	***
Apr.-Jun.	677	10,197	***	***	***	---	***	---

Period	United Arab Emirates			Vietnam subject		
	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2013:						
Jan.-Mar.	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***
Oct.-Dec.	***	***	***	---	***	---
2014:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	***	***	***	---	***	---
Jul.-Sep.	***	***	***	---	***	---
Oct.-Dec.	***	***	***	***	***	***
2015:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	***	***	***	---	***	---
Jul.-Sep.	***	***	***	***	***	***
Oct.-Dec.	725	104	(8.9)	***	***	***
2016:						
Jan.-Mar.	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***

Table continued.

Table V-5 -- Continued

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

End users

* * * * * * *

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

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

Table V-6

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

Distributors

Period	United States		Oman			Pakistan		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2013:								
Jan.-Mar.	***	***	---	***	---	***	***	***
Apr.-Jun.	***	***	---	***	---	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2014:								
Jan.-Mar.	***	***	---	***	---	***	***	***
Apr.-Jun.	***	***	---	***	---	***	***	***
Jul.-Sep.	***	***	---	***	---	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2015:								
Jan.-Mar.	***	***	---	***	---	***	***	***
Apr.-Jun.	***	***	---	***	---	***	***	***
Jul.-Sep.	***	***	---	***	---	***	***	***
Oct.-Dec.	***	***	---	***	---	***	***	***
2016:								
Jan.-Mar.	***	***	---	***	---	***	***	***
Apr.-Jun.	***	***	---	***	---	---	***	---

Period	United Arab Emirates			Vietnam subject		
	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2013:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	***	***	***	---	***	---
Jul.-Sep.	***	***	***	---	***	---
Oct.-Dec.	***	***	***	---	***	---
2014:						
Jan.-Mar.	964	855	19.7	---	***	---
Apr.-Jun.	***	***	***	---	***	---
Jul.-Sep.	986	1,520	20.3	---	***	---
Oct.-Dec.	***	***	***	---	***	---
2015:						
Jan.-Mar.	***	***	***	---	***	---
Apr.-Jun.	908	3,389	21.5	---	***	---
Jul.-Sep.	859	2,503	24.8	---	***	---
Oct.-Dec.	***	***	***	---	***	---
2016:						
Jan.-Mar.	640	8,968	41.3	---	***	---
Apr.-Jun.	651	7,465	43.8	---	***	---

Table continued.

Table V-6 -- Continued

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

End users

* * * * * * *

Retailers

* * * * * * *

[1] Product 4: Schedule 40 galvanized fence tube, with nominal outside diameter of 1-1/4 – 3 inches, inclusive.

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

Price trends

As shown in table V-6, domestic prices for pricing products 1-3 sold to distributors declined between *** to *** percent from January 2013 to June 2016. Domestic prices for pricing product 4 sold to distributors increased by *** percent. Domestic prices for the same pricing products sold to end users followed similar price trends.[15] Prices for CWP from subject sources exhibited price decreases ranging from *** percent to *** percent during January 2013 to June 2016 for all four pricing products.

Table V-7

CWP: Number of quarters containing observations, low price, high price and change in price over period by product and source, January 2013 through June 2016

* * * * * * *

[15] Domestic prices for shipments to end users for three pricing products declined between *** percent to *** percent from January 2013 to June 2016. Domestic prices for pricing product 4 sold to end users increased by *** percent.

Table V-7 -- Continued

CWP: Number of quarters containing observations, low price, high price and change in price over period by product and source, January 2013 through June 2016

* * * * * * *

Price comparisons

As shown in table V-8, prices for CWP imported from subject countries were below those for U.S.-produced product in 108 of 148 instances (*** short tons); margins of underselling ranged from 0.6 percent to 43.8 percent. In the remaining 40 instances (*** short tons), prices for CWP from subject countries were between 0.2 percent to 71.2 percent above prices for the domestic product.

Table V-8

CWP: Instances of underselling/overselling and the range and average of margins, by country, January 2013 through June 2016

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Summary data for sales to distributors.--					
Oman	38	***	***	***	***
Pakistan	22	***	***	***	***
United Arab Emirates	41	***	***	***	***
Vietnam	7	***	***	***	***
Total, underselling to distributors	108	***	17.9	0.6	43.8
Source	**(Overselling)**				
	Number of quarters	**Quantity (short tons)**	**Average margin (percent)**	**Margin Range (percent)**	
				Min	**Max**
Summary data for sales to distributors.--					
Oman	7	***	***	***	***
Pakistan	11	***	***	***	***
United Arab Emirates	15	***	***	***	***
Vietnam	7	***	***	***	***
Total, underselling to distributors	40	***	(11.1)	(0.2)	(71.2)

[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

In the final phase of the investigation, *** of the nine responding U.S. producers reported that they had to either reduce prices or roll back announced price increases, and *** firms reported that they had lost sales. Staff contacted 129 purchasers and received responses from 54 purchasers.[16] Responding purchasers reported purchasing 9.1 million short tons of CWP during 2013-15. Table V-9 shows a summary of purchases. [17]

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

* * * * * * *

Of the 26 purchasers that reported shifting purchases to subject sources, 22 purchasers reported that the prices of subject imports were less than domestic prices and 15 purchasers reported that price had been a primary reason for the shift (tables V-10 and V-11).[18] [19] Purchaser *** reported that it had shifted not because of price, but because of its need for a different product, and purchaser *** reported that it had shifted some purchases while evaluating a new mill.

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

* * * * * * *

[16] One purchaser, *** submitted lost sales lost revenue survey responses in the preliminary phase, but did not submit purchaser questionnaire responses in the final phase.

[17] Staff did not have the necessary valid contact information for 17 purchasers.

[18] Two purchasers, ***, reported that they had shifted purchases to subject import sources, but in their comments stated that they had not shifted to imported pipe since 2013, but that they had always purchased it.

[19] Shaded rows indicate "no" or "don't know" responses and nonresponse.

Table V-11

CWP: Purchasers' responses to shifting supply sources, by country

Source	Count of purchasers reporting shifting source	Count of purchasers reported that imports were priced lower	Count of purchasers reporting that price was a primary reason for shift	Quantity shifted (short tons)	Other reasons for shift
Oman	14	11	7	6,291	8
Pakistan	5	3	2	3,959	6
United Arab Emirates	15	12	9	27,553	6
Vietnam (includes Vietnam nonsubject)	14	12	8	13,220	7
All subject sources	26	22	15	51,023	9

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

Of the 50 responding purchasers[20], one purchaser, ***, reported that U.S. producers had reduced prices in order to compete with lower-priced imports specifically from *** and producers had reduced prices by an estimated 20 percent. Twenty-seven purchasers reported that they did not know if producers had reduced prices to compete with any source (tables V-12 and V-13).[21]

Table V-12

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

* * * * * * *

Table V-13

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

Source	Count of purchasers reporting U.S. producers reduced prices	Simple average of estimated U.S. price reduction (percent)	Range of estimated U.S. price reductions (percent)
Oman	***	***	***
Pakistan	***	***	***
United Arab Emirates	***	***	***
Vietnam	***	***	***
All subject sources	1	20	0 to 20

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

[20] This count excludes purchasers with "no response."

[21] Shaded rows indicate "no" or "don't know" responses and nonresponse.

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

INTRODUCTION

Nine U.S. producers (Allied, Bull Moose, California Steel, EXLTUBE, Maruichi American, Maruichi Leavitt, TMK IPSCO, Western, and Wheatland) provided financial data on their operations on CWP. These data are believed to account for the large majority of U.S. production of CWP in 2015.[1] Only *** reported sales other than commercial sales. *** accounted for *** percent of total net sales quantity between January 2013 and June 2016, and is included but not shown separately in this section of the report.[2] ***.[3] All other firms reported a fiscal year end of December 31.

Allied, one of the major producers of the subject product during the period examined, largely exited the CWP business in October 2015. 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 2013 to 2015, although net losses occurred in all three years. The reported aggregate net sales quantity declined by 1.8 percent from 2013 to 2015, while the aggregate net sales value declined by 12.0 percent during this time. Collectively, the aggregate cost of goods sold ("COGS") and selling, general, and administrative ("SG&A") expenses declined by 13.6 percent during this period. As a result of the larger decline in operating costs and expenses as compared to revenue, the aggregate gross, operating, and net income improved from 2013 to 2015; however, as previously stated, net losses occurred in all three years.

In January-June 2016 as compared to January-June 2015, the reported aggregate net sales quantity was 12.9 percent lower and the aggregate net sales value was 17.2 percent lower. Operating costs and expenses were 30.9 percent lower in interim 2016 as compared to interim 2015. As a result of the larger decline in operating costs and expenses as compared to revenue, the aggregate gross, operating, and net income were markedly higher.[4]

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

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

[3] ***.

[4] Net income reflects operating income minus "other income and expenses." Other income and expenses, which consisted primarily of ***. Email from ***, September 12, 2016.

Table VI-1
CWP: Results of operations of U.S. producers, 2013-15, January-June 2015, and January-June 2016

Item	Fiscal year			January-June	
	2013	2014	2015	2015	2016
Quantity (short tons)					
Total net sales	996,509	987,427	978,300	519,979	452,784
Value ($1,000)					
Total net sales	1,042,977	1,006,394	917,769	481,232	398,589
Cost of goods sold	940,452	915,978	808,952	441,417	292,662
Gross profit or (loss)	102,525	90,416	108,817	39,815	105,927
SG&A expense	86,291	71,546	77,848	39,654	39,956
Operating income or (loss)	16,234	18,870	30,969	161	65,971
Other income or (expense), net	***	***	***	***	***
Net income or (loss)	***	***	***	***	***
Depreciation	***	***	***	***	***
Cash flow	1,776	(760)	6,630	(6,426)	62,741
Ratio to net sales (percent)					
Cost of goods sold.--					
Raw materials	70.0	69.6	63.9	67.8	51.8
Direct labor	6.5	7.0	7.3	8.2	7.9
Other factory costs	13.7	14.4	16.9	15.8	13.8
Average COGS	90.2	91.0	88.1	91.7	73.4
Gross profit or (loss)	9.8	9.0	11.9	8.3	26.6
SG&A expense	8.3	7.1	8.5	8.2	10.0
Operating income or (loss)	1.6	1.9	3.4	0.03	16.6
Net income or (loss)	***	***	***	***	***
Unit value (dollars per short ton)					
Total net sales	1,047	1,019	938	925	880
Cost of goods sold.--					
Raw materials	732	710	600	627	456
Direct labor	68	72	68	76	69
Other factory costs	143	146	159	146	122
Average COGS	944	928	827	849	646
Gross profit or (loss)	103	92	111	77	234
SG&A expense	87	72	80	76	88
Operating income or (loss)	16	19	32	0	146
Net income or (loss)	***	***	***	***	***
Number of firms reporting					
Operating losses	3	4	5	6	2
Net losses	3	4	5	4	2
Data	9	9	9	9	9

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

Table VI-2
CWP: Selected results of operations of U.S. producers, by firm, 2013-15, January-June 2015, and January-June 2016

* * * * * * *

Per short ton revenue declined from 2013 to 2015, and was also lower in interim 2016 compared to interim 2015.[5] [6] On a per short ton basis, raw material costs declined from 2013 to 2015, and were also lower between the comparable interim periods.[7] Direct labor costs were essentially unchanged from 2013 to 2015, and were lower between the comparable interim periods.[8] Other factory costs increased from 2013 to 2015, and were lower between the comparable interim periods.[9] In combination, per short ton COGS declined from 2013 to 2015, and was lower in interim 2016 compared to interim 2015. SG&A expenses irregularly declined from 2013 to 2015, and were higher in interim 2016 as compared to interim 2015.[10]

The aforementioned trends in per short ton revenue and costs resulted in a general increase in per short ton gross, operating, and net income in 2015 compared to 2013.[11]

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[5] 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.

[6] Net sales declined by $109 per short ton between 2013 and 2015, and were $45 per short ton lower in January-June 2016 than in January-June 2015.

[7] Raw material costs declined by $132 per short ton between 2013 and 2015, and were $171 per short ton lower in January-June 2016 than in January-June 2015. The total value of raw material costs declined by 19.6 percent from 2013 to 2015, and was 36.7 percent lower in January-June 2016 than in January-June 2015.

[8] Direct labor costs were unchanged on a per short ton basis between 2013 and 2015, and were $7 per short ton lower in January-June 2016 and January-June 2015. The total value of direct labor costs declined by 1.9 percent from 2013 to 2015, and was 20.5 percent lower in January-June 2016 than in January-June 2015.

[9] Other factory costs increased by $16 per short ton between 2013 and 2015, and were $24 per short ton lower in January-June 2016 than in January-June 2015. The total value of other factory costs increased by 9.0 percent from 2013 to 2015, and was 27.5 percent lower in January-June 2016 than in January-June 2015.

[10] SG&A expenses declined by $7 per short ton between 2013 and 2015, and were $12 per short ton higher in January-June 2016 than in January-June 2015. The total value of SG&A expenses declined by 9.8 percent from 2013 to 2015, and was 0.8 percent higher in January-June 2016 than in January-June 2015.

[11] See footnote 4 in this section of the report.

Between the comparable interim periods, the aggregate per short ton gross, operating, and net income were markedly higher. When analyzed as a ratio to net sales, generally similar trends in COGS, SG&A expenses, and profitability occurred during the period examined.

Raw material costs accounted for an average 75.2 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 70.0 percent in 2013 to 63.9 percent in 2015, and were lower in January-June 2016 at 51.8 percent than in January-June 2015 at 67.8 percent.

In the final phase of these investigations, U.S. producers were asked various questions related to hot-rolled steel purchases, including the average time in inventory for normal CWP operations. Responses varied among the reporting firms, but generally reflected a range of 4 to 8 weeks of hot-rolled steel inventory maintained for normal CWP operations. Questionnaire responses regarding the effects of increasing or decreasing hot-rolled steel prices on reported profitability are presented in Appendix F.

U.S. producers were asked to describe how changes in the production or sale of products other than CWP impacted the cost allocations to CWP operations for the period examined. Four firms indicated that changes in product mix affected cost allocations to reported CWP operations. ***.[12]

Certain U.S. producers reported *** profitability as a ratio to net sales as compared to the average results for all firms, including ***.[13] According to ***.[14] Similarly, ***.[15]

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[12] U.S. producers' responses to question III-4b. In addition, ***.

[13] ***. Email from ***, October 27, 2017, and telephone interview with ***, November 2, 2016. ***.

***. Email from ***, October 27, 2017. In this release, the President and CEO of Atkore International stated "We continually conduct strategic reviews of our businesses and their alignment with our mission to be customers' first choice for electrical raceway and mechanical products and solutions. While this was a difficult decision, it was necessary to ensure we direct the appropriate focus and resources on delivering greater overall value to our customers in our core businesses…Rebalancing our portfolio with this latest change will only serve to strengthen our already solid financial performance and ensure our continued position as a customer-focused leader in the markets we serve." *Atkore International Announces Exit from Fence and Sprinkler Businesses*, press release by Atkore International, August 6, 2015.

[14] Email from ***, November 30, 2015. ***. Email from ***, September 16, 2016.

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

While the U.S. industry overall reported operating profits in the three full years of the period examined, *** than other reporting firms.[16] According to ***.[17] According to ***.[18] According to ***.[19] ***.[20] *** 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.

Variance analysis

The variance analysis presented in table VI-3 is based on the data in table VI-1.[21] The analysis shows that the improvement in operating income from 2013 to 2015 is primarily attributable to a favorable net cost/expense variance despite an unfavorable price variance (that is, costs and expenses declined more than prices). Similarly, the marked improvement in operating income in January-June 2016 compared to January-June 2015 is primarily attributable to a favorable net cost/expense variance despite an unfavorable price variance.

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

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

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

[18] Email from ***, November 30, 2015. *See also* footnote 4 in this section of the report. Further, ***. Email from ***, September 12, 2016.

[19] ***. U.S. producers' questionnaire response to question III-11, and email from ***, November 17, 2015. ***. Email from ***, September 20, 2016.

[20] ***. Email from ***, September 20, 2015. *See also* footnote 4 in this section of the report.

[21] 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.

Table VI-3
CWP: Variance analysis on the operations of U.S. producers, 2013-15, and January-June 2015-16

Item	Fiscal year			Jan.-June
	2013-15	2013-14	2014-15	2015-16
	Value ($1,000)			
Total net sales:				
Price variance	(106,150)	(27,077)	(79,323)	(20,455)
Volume variance	(19,058)	(9,506)	(9,302)	(62,188)
Total net sales variance	(125,208)	(36,583)	(88,625)	(82,643)
Cost of sales:				
Cost variance	114,315	15,903	98,559	91,712
Volume variance	17,185	8,571	8,467	57,043
Total cost variance	131,500	24,474	107,026	148,755
Gross profit variance	6,292	(12,109)	18,401	66,112
SG&A expenses:				
Expense variance	6,866	13,959	(6,963)	(5,426)
Volume variance	1,577	786	661	5,124
Total SG&A variance	8,443	14,745	(6,302)	(302)
Operating income variance	14,735	2,636	12,099	65,810
Summarized at the operating income level as:				
Price variance	(106,150)	(27,077)	(79,323)	(20,455)
Net cost/expense variance	121,182	29,861	91,596	86,286
Net volume variance	(297)	(148)	(174)	(21)

Note.--Unfavorable variances are shown in parenthesis; all others are favorable.

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

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. Eight firms reported capital expenditure data, and ***.[22] Aggregate capital expenditures irregularly declined from 2013 to 2015, and were lower in January-June 2016 than in January-June 2015. The total assets utilized in the production, warehousing, and sale of CWP declined from 2013 to 2015, and the ROA improved from 2013 to 2015.[23] [24]

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

[23] 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.

[24] ***.

Table VI-4
CWP: Capital expenditures, R&D expenses, total assets, and return on assets of U.S. producers, 2013-15, January-June 2015, and January-June 2016

* * * * * * *

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 G.

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

Factor	Firms reporting (number)
Actual negative effects of imports --	
Investment:	8
Cancellation, postponement, or rejection of expansion projects	3
Denial or rejection of investment proposal	1
Reduction in the size of capital investments	2
Return on specific investments negatively impacted	2
Other	3
Growth and development:	3
Rejection of bank loans	0
Lowering of credit rating	0
Problem related to the issue of stocks or bonds	0
Ability to service debt	0
Other	3
Anticipated negative effects of imports:	8

Note.--All firms reported that there were actual investment effects ***. Six firms *** reported no actual effects on growth and development. All firms reported anticipated negative effects ***, and all firms *** reported that their responses to all factors did not differ by country.

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

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,*

[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."

(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,

(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 2015. According to estimates requested of Al Jazeera, its production accounts for *** percent of Omani exports to the United States. [4] 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, 2015

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Al Jazeera	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

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

[4] U.S. importers ***.

Changes in operations

Al Jazeera *** 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 employees. In 2014 they reported a total of 633 employees and noted 36 percent "Omanisation" of its workforce.[5] In 2015 the firm reported a total of 594 employees.[6]

Operations of the CWP producer in Oman

Table VII-2 presents information on the CWP operations of the responding producer in Oman for 2013-15, January-June 2015 and 2016, as well as projections for 2016-17. Al Jazeera's capacity *** from 2013 to 2015 and *** through 2017. Production, capacity utilization, and shipments *** from 2013 to 2015; production, inventories, capacity utilization, and shipments were *** in the interim period of 2015 than in the same period of 2016.

The home market accounted for between *** and *** percent of total shipments by Al Jazeera from 2013 through 2015 and accounted for *** percent in the interim period of 2015. Exports to the United States accounted for *** percent of total shipments in 2013 and *** percent during 2015. Export markets other than the United States accounted for *** percent of the Omani producer's total shipments in 2013 and *** percent in 2015. 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.[7] [8]

Table VII-2
CWP: Data on industry in Oman, 2013-15, January to June 2015, and January to June 2016, and projection calendar years 2016 and 2017

* * * * * * *

[5] 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.

[6] Al Jazeera Steel Products Co. SOAG, 18th Annual Report (2015), available at http://www.jazeerasteel.com/financials.html retrieved September 7, 2016, p. 8

[7] GCC is an intergovernmental political and economic union of Persian Gulf states excluding Iraq. Its membership consists of Bahrain, Kuwait, Oman, Saudi Arabia, Qatar, and 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.

[8] According to its 2015 annual report, the company expects that, due to lower energy costs, "the US economy along with the EU to perform better in 2016 and we expect to enhance our business in these countries." Al Jazeera Steel Products Co. SOAG, 18th Annual Report (2015), available at http://www.jazeerasteel.com/financials.html retrieved September 7, 2016, p. 8

Alternative products

As shown in table VII-3, subject merchandise accounted for between *** and *** percent of all Omani production on the same equipment from 2013-2015. The ***.

Table VII-3
CWP: Omani producers' overall capacity and production on the same equipment as subject production, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

Exports

According to Global Trade Atlas ("GTA"), the top export markets for CWP produced in Oman during 2015 were the United States and Qatar (table VII-4). Overall from 2013 to 2015, the share of Oman's exports that went to the United States increased.[9]

[9] Al Jazeera states that it is a GCC-orientated company, with "80-85 percent of its sales going into Oman and the other GCC countries." Respondent Al Jazeera's prehearing brief, p. 19

Table VII-4
CWP: Omani exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Oman's exports to the United States	31,961	47,156	39,696
Oman's exports to other major destination markets.--Qatar	0	162	374
Kuwait	554	1,172	123
Mexico	13	36	60
Jordan	561	457	31
Rwanda	0	0	12
Germany	0	0	0
Bahrain	14	29	0
Canada	1	0	0
All other destination markets	2,243	167	---
Total Oman exports	35,347	49,179	40,296
	Value (1,000 dollars)		
Oman's exports to the United States	22,934	33,115	26,684
Oman's exports to other major destination markets.--Qatar	0	122	257
Kuwait	514	1,055	108
Mexico	21	40	75
Jordan	423	346	23
Rwanda	0	0	14
Germany	0	0	1
Bahrain	11	20	0
Canada	1	0	0
All other destination markets	998	93	0
Total Oman exports	24,902	34,791	27,162

Table continued on next page.

Table VII-4—Continued
CWP: Omani exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
Oman's exports to the United States	718	702	672
Oman's exports to other major destination markets.-- Qatar	---	754	687
Kuwait	928	901	873
Mexico	1,640	1,105	1,239
Jordan	753	756	761
Rwanda	---	---	1,192
Germany	---	---	7,983
Bahrain	829	707	---
Canada	1,234	---	---
All other destination markets	445	557	---
Total Oman exports	705	707	674
	Share of quantity (percent)		
Oman's exports to the United States	90.4	95.9	98.5
Oman's exports to other major destination markets.-- Qatar	---	0.3	0.9
Kuwait	1.6	2.4	0.3
Mexico	0.0	0.1	0.1
Jordan	1.6	0.9	0.1
Rwanda	---	---	0.0
Germany	---	---	0.0
Bahrain	0.0	0.1	---
Canada	0.0	---	---
All other destination markets	6.3	0.3	---
Total Oman exports	100.0	100.0	100.0

Source*:* Official import statistics from Oman reported under HTS subheading 7306.30 by various national statistical authorities in the IHS/GTA database, accessed September 6, 2016.

THE INDUSTRY IN PAKISTAN

Overview

The Commission issued foreign producers' or exporters' questionnaires to 17 firms believed to produce and/or export CWP from Pakistan.[10] The Commission received one useable response from 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 2015. 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.[11] Table VII-5 presents information on the CWP operations of the responding producer and exporter in Pakistan.

Table VII-5
CWP: Summary data on firms in Pakistan, 2015

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
International Industries Limited (IIL)	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Changes in operations

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

[10] These firms were identified through a review of information submitted in the petition, contained in proprietary Customs records, and identified in postconference briefs from the preliminary phase.

[11] According to IIL, it is the only Pakistani producer capable of exporting to the United States. Other Pakistani producers of CWP are focused on the domestic market due to the nature of their facilities and since their distance from ports makes importing raw material unviable. Hearing transcript, p. 133 (Chinoy).

Table VII-6
CWP: Pakistani Producer reported changes in operations, since January 1, 2013

* * * * * * *

Operations of CWP producer in Pakistan

Table VII-7 presents information on the CWP operations of the responding producer in Pakistan for 2013-15, January to June 2015 and 2016, as well as projections for 2016 and 2017.

Pakistani capacity *** from 2013 to 2015. Production, capacity utilization, inventories and shipments *** over 2013 to 2015. Production, capacity utilization, and shipments were *** in the interim period of 2015 than in the same period of 2016, although inventories were *** in that time period.

The home market accounted for between *** and *** percent of total shipments by IIL from 2013 through 2015 and accounted for *** percent in the interim period of 2016. Exports to the United States accounted for between *** percent of total shipments in 2013 and *** percent during 2015. Export markets other than the United States accounted for *** percent of the Pakistani producer's total shipments in 2013 and *** percent in 2015. Other export markets identified include ***.

Table VII-7
CWP: Data on the industry in Pakistan, 2013-15, January to June 2015, January to June 2016, and calendar year projections for 2016 and 2017

* * * * * * *

Alternative products

As shown in table VII-8, from 2013-2015 subject merchandise accounted for between *** percent of all Pakistani production on the same equipment. ***.

Table VII-8
CWP: Pakistani producer's overall capacity and production on the same equipment as subject production, 2013-15, January to June 2015, January to June 2016

* * * * * * *

Exports

According to GTA, the top export markets for CWP produced in Pakistan during 2015 were the United States and Sri Lanka (table VII-9). During 2015, the United States and Sri Lanka accounted for 47.6 and 30.6 percent of total exports from Pakistan, respectively

.

Table VII-9
CWP: Pakistani exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Pakistan's exports to the United States	12,719	23,817	29,593
Pakistan's exports to other major destination markets.--Sri Lanka	18,116	17,174	19,007
Canada	841	6,117	6,327
Australia	0	1,150	3,012
Belgium	57	417	1,619
United Kingdom	237	6,660	885
Germany	0	0	837
Netherlands	0	0	598
Bahrain	421	399	139
All other destination markets	327	224	137
Total Pakistan exports	32,719	55,957	62,154
	Value (1,000 dollars)		
Pakistan's exports to the United States	9,789	17,046	19,222
Pakistan's exports to other major destination markets.--Sri Lanka	15,359	13,945	14,264
Canada	622	5,005	4,964
Australia	---	924	1,874
Belgium	39	293	972
United Kingdom	168	5,134	552
Germany	---	0	449
Netherlands	---	---	361
Ireland	393	305	93
All other destination markets	262	186	85
Total Pakistan exports	26,632	42,838	42,836

Table continued on next page.

Table VII-9—Continued
CWP: Pakistani exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
Pakistan's exports to the United States	770	716	650
Pakistan's exports to other major destination markets.-- Sri Lanka	848	812	750
Canada	740	818	785
Australia	---	803	622
Belgium	683	702	600
United Kingdom	708	771	623
Germany	---	10,368	536
Netherlands	---	---	604
Ireland	935	765	669
All other destination markets	801	832	622
Total Pakistan exports	814	766	689
	Share of quantity (percent)		
Pakistan's exports to the United States	38.9	42.6	47.6
Pakistan's exports to other major destination markets.-- Sri Lanka	55.4	30.7	30.6
Canada	2.6	10.9	10.2
Australia	---	2.1	4.8
Belgium	0.2	0.7	2.6
United Kingdom	0.7	11.9	1.4
Germany	---	0.0	1.3
Netherlands	---	---	1.0
Ireland	1.3	0.7	0.2
All other destination markets	1.0	0.4	0.2
Total Pakistan exports	100.0	100.0	100.0

Source*:* Official import statistics from Pakistan reported under HTS subheading 7306.30 by various national statistical authorities in the IHS/GTA database, accessed September 6, 2016.

THE INDUSTRY IN THE UAE

Overview

The Commission issued foreign producers' or exporters' questionnaires to thirteen firms believed to produce and/or export CWP from the UAE.[12] Useable responses to the Commission's questionnaire were received from six firms: Universal Tube & Plastic Industries Ltd, Universal Tube & Pipe Industries LLC, and KHK Scaffolding & Formwork LLC (collectively, "Universal")[13]; K.D. Industries Inc. ("K.D. Industries"); Conares Metal Supply ("Conares"); and Ajmal Steel Tubes and Pipes Industries LLC ("Ajmal"). These firms' exports to the United States accounted for *** percent of U.S. imports of CWP from the UAE during 2015. Table VII-10 presents information on the CWP operations of the responding UAE producers and exporters.

Table VII-10
CWP: Summary data on firms in the UAE, 2015

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Ajmal Steel Tubes and Pipes Industries LLC	***	***	***	***	***	***
Conares Metal Supply Ltd.	***	***	***	***	***	***
K.D. Industries Inc	***	***	***	***	***	***
Universal	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Changes in operations

As presented in table VII-11, producers in the UAE reported the following changes to operations since January 2013.

[12] These firms were identified through a review of information submitted in the petition, contained in proprietary Customs records, and identified in postconference briefs from the preliminary phase.

[13] Universal stated at the hearing that KHK Scaffolding does not export standard pipe to the U.S., but that the questionnaire does provide information of its operations. Hearing Transcript, p. 117 (D'Cunha).

Table VII-11
CWP: Reported changes in operations by firms in the UAE since January 1, 2013

* * * * * * *

Operations of CWP producers in the UAE

Table VII-12 presents information on the CWP operations of the responding producers and exporters in the UAE for 2013-15, January to June 2015 and 2016, as well as projections for 2016 and 2017.

Emirati capacity, production, capacity utilization, inventories, and total shipments increased from 2013 to 2015. Inventories, capacity utilization, shipments, and production were higher during the interim period of 2015 than in the same period of 2016, however capacity was lower.

The home market accounted for between *** percent and *** percent of total shipments by Emirati producers in 2015. Exports to markets other than the United States declined from *** percent in 2013 to *** percent of the responding Emirati producers' total shipments in 2015 while exports to the United States accounted for between *** percent in 2013 and *** percent in 2015. Other export markets identified include Australia, Canada, Germany, the GCC, Lebanon, Mexico, Monaco, the Netherlands, and the United Kingdom.

Table VII-12
CWP: Data on the industry in the UAE, 2013-15, January to June 2015, January to June 2016, and calendar year projections for 2016 and 2017

* * * * * * *

Alternative products

As shown in table VII-13, from 2013-2015 between *** and *** percent of Emirati production on the same equipment in each period was subject merchandise. Other products include ***.[14]

Table VII-13
CWP: UAE producers' overall capacity and production on the same equipment as subject production, 2013-15, January to June 2015, January to June 2016

* * * * * * *

[14] Emirati Respondent Universal stated that its increase in capacity is attributable to KHK Scaffolding, and that the Universal companies are at 'full practical capacity' for both standard and non-standard pipe production. Hearing Transcript, p. 119 (D'Cunha).

Exports

According to GTA, the top export markets for CWP produced in the UAE during 2015 were the United States and Australia (table VII-14). During 2015, the United States and Australia accounted for 75.2 and 6.3 percent of total exports from the UAE, respectively.[15]

Table VII-14
CWP: UAE exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
UAE's exports to the United States	44,956	76,365	108,419
UAE's exports to other major destination markets.--Australia	3,267	4,065	9,041
Saudi Arabia	883	---	7,611
Qatar	1,090	3,652	5,563
Oman	2,818	3,985	4,754
Mexico	677	2,247	2,312
Belgium	6,440	2,649	2,236
Canada	943	2,265	1,980
India	27	145	548
All other destination markets	9,121	2,951	1,772
Total UAE exports	70,222	98,322	144,237
	Value (1,000 dollars)		
UAE's exports to the United States	36,403	58,879	75,901
UAE's exports to other major destination markets.--Australia	2,876	3,368	6,431
Saudi Arabia	970	---	7,012
Qatar	856	2,675	3,562
Oman	3,315	3,887	3,302
Mexico	609	2,069	1,945
Belgium	5,608	2,245	1,615
Canada	897	1,949	1,439
India	46	81	354
All other destination markets	7,698	2,799	1,770
Total UAE exports	59,277	77,952	103,332

Table continued on next page.

[15] Universal regards the GCC as its 'second home market' and cites growing demand there due to increased infrastructure investment and regional construction growth. Hearing Transcript, p. 119 (D'Cunha).

Table VII-14—Continued
CWP: UAE exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
UAE's exports to the United States	810	771	700
UAE's exports to other major destination markets.-- Australia	880	828	711
Saudi Arabia	1,099	---	921
Qatar	785	733	640
Oman	1,176	976	695
Mexico	899	921	841
Belgium	871	847	722
Canada	951	861	727
India	1,735	560	647
All other destination markets	844	948	999
Total UAE exports	844	793	716
	Share of quantity (percent)		
UAE's exports to the United States	64.0	77.7	75.2
UAE's exports to other major destination markets.-- Australia	4.7	4.1	6.3
Saudi Arabia	1.3	---	5.3
Qatar	1.6	3.7	3.9
Oman	4.0	4.1	3.3
Mexico	1.0	2.3	1.6
Belgium	9.2	2.7	1.6
Canada	1.3	2.3	1.4
India	0.0	0.1	0.4
All other destination markets	13.0	3.0	1.2
Total UAE exports	100.0	100.0	100.0

Source: Official import statistics from UAE reported under HTS subheading 7306.30 by various national statistical authorities in the IHS/GTA database, accessed September 6, 2016.

THE INDUSTRY IN VIETNAM

Overview

The Commission issued foreign producers' or exporters' questionnaires to six firms believed to produce and/or export CWP from Vietnam.[16] Useable responses to the Commission's questionnaire were received from four firms: SeAH Steel Vina Corporation ("SeAH"), Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. ("Vietnam Haiphong"), Maruichi Sunsteel Joint Stock Company ("Maruichi Sunsteel"), and Hoa Phat Steel Pipe Co., Ltd ("Hoa Phat"). These firms' exports to the United States accounted for *** percent of U.S. imports of CWP from Vietnam during 2015. Subject Vietnamese firms' exports to the United States accounted for *** percent of U.S. imports of CWP from Vietnam during 2015. According to estimates requested of the responding Vietnamese producers, SeAH accounted for approximately *** percent of total Vietnamese production and approximately *** percent of Vietnamese exports of CWP to the United States in 2015. Maruichi Sunsteel's estimated production accounted for approximately *** percent of total Vietnamese production and approximately *** percent of Vietnamese exports of CWP to the United States in 2015. Table VII-15 presents information on the CWP operations in Vietnam.

Table VII-15
CWP: Summary data on firms in Vietnam, 2015

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Hoa Phat Steel Pipe Co., Ltd	***	***	***	***	***	***
Maruichi Sunsteel Joint Stock Company	***	***	***	***	***	***
SeAH Steel Vina Corporation	***	***	***	***	***	***
Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

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

Commerce assigned a zero weighted-average dumping margin to SeAH in its final determination and its imports were counted as nonsubject. The other responding firms were counted as subject imports.

Changes in operations

As presented in table VII-16, producers in Vietnam reported the following changes to operations since January 2013.

Table VII-16
CWP: Reported changes in operations by firms in Vietnam, since January 1, 2013

* * * * * * *

Operations of the subject CWP producers in Vietnam

Table VII-17 presents information on the CWP operations of subject producers[17] in Vietnam for 2013-15, January to June 2015, and January to June 2016, as well as projections for 2016 and 2017. Vietnam's subject producer capacity, production, and total shipments increased from 2013 to 2015, while capacity utilization and inventories decreased from 2013 to 2015. These trends are driven in part by ***. Capacity utilization, production, and shipments were higher during the interim period of 2016 than in the same period of 2015; capacity and inventories were largely unchanged.

The home market accounted for between *** percent and *** percent of Vietnam's total shipments from 2013 in 2015. Exports to the United States comprised *** percent of Vietnam's total shipments in 2013; the share fell to *** percent in 2015. Export markets other than the United States accounted for *** percent of Vietnam's total shipments in 2013 and rose slightly to *** percent in 2015. Other export markets identified include Australia, Cambodia, Canada, Kuwait, Myanmar, Oman, Thailand, and the UAE.

Table VII-17
CWP: Data on industry in Vietnam subject producers, 2013-15, January to June 2015, January to June 2016, and calendar year projections for 2016 and 2017

* * * * * * *

Alternative products

As shown in table VII-18, CWP accounted for *** percent of production on the same equipment in 2015. Other products include ***.

[17] Subject producers includes Vietnam Haiphong, Maruichi Sunsteel, and Hoa Phat.

Table VII-18
CWP: Vietnam subject producers' overall capacity and production on the same equipment as subject production, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

Operations of the nonsubject CWP producer in Vietnam

Table VII-19 presents information on the CWP operations of the nonsubject producer in Vietnam (SeAH) for 2013-15, January to June 2015, and January to June 2016, as well as projections for 2016 and 2017. SeAH's capacity *** from 2013 to 2014 ***, while production, capacity utilization, inventories, and total shipments *** from 2013 to 2015. Capacity utilization, production, and shipments were *** during the interim period of 2015 than in the same period of 2016; capacity *** and inventories *** in the interim period of 2016 compared to the same period in 2015.

The home market accounted for *** percent of SeAH's total shipments in 2013 and fell to *** percent in 2015. Exports to the United States comprised *** percent of SeAH's total shipments in 2013 and *** percent in 2015. Export markets other than the United States accounted for *** percent of SeAH's total shipments in 2013 and fell to *** percent in 2015. Other export markets identified include ***.

Table VII-19
CWP: Data on industry fom Vietnam nonsubject producer (SeAH), 2013-15, January to June 2015, January to June 2016, and calendar year projections for 2016 and 2017

* * * * * * *

Alternative products for the nonsubject producer

As shown in table VII-20, SeAH's production of CWP accounted for *** percent of its overall production in 2015. ***.

Table VII-20
CWP: Vietnam nonsubject producers' overall capacity and production on the same equipment as subject production, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

Exports

According to GTA, the top export markets for CWP produced in Vietnam during 2015 were the United States and Canada (table VII-21). During 2015, the United States and Canada accounted for 66.0 and 11.6 percent of total Vietnamese exports, respectively.

Table VII-21
CWP: Vietnam exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Vietnam's exports to the United States	68,568	64,299	85,868
Vietnam's exports to other major destination markets.--Canada	9,880	16,994	15,118
Hong Kong	1,221	3,647	6,148
Taiwan	3,338	2,576	5,585
Malaysia	2,409	2,740	3,614
Thailand	3,428	7,251	3,383
Japan	2,915	4,279	3,281
Singapore	58	---	2,353
Indonesia	385	832	1,306
All other destination markets	1,411	1,686	3,488
Total Vietnam exports	93,615	104,305	130,144
	Value (1,000 dollars)		
Vietnam's exports to the United States	52,763	47,868	57,103
Vietnam's exports to other major destination markets.--Canada	9,622	14,992	11,851
Hong Kong	977	2,937	4,170
Taiwan	3,922	3,160	5,723
Malaysia	2,134	2,320	2,111
Thailand	3,597	6,202	2,929
Japan	3,912	4,474	3,436
Singapore	40	---	2,707
Indonesia	579	1,168	1,470
All other destination markets	1,937	2,772	4,313
Total Vietnam exports	79,482	85,893	95,813

Table continued on next page.

Table VII-21—Continued
CWP: Vietnam exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
Vietnam's exports to the United States	770	744	665
Vietnam's exports to other major destination markets.--Canada	974	882	784
Hong Kong	801	805	678
Taiwan	1,175	1,227	1,025
Malaysia	886	847	584
Thailand	1,049	855	866
Japan	1,342	1,045	1,047
Singapore	679	---	1,151
Indonesia	1,501	1,404	1,126
All other destination markets	1,372	1,644	1,236
Total Vietnam exports	849	823	736
	Share of quantity (percent)		
Vietnam's exports to the United States	73.2	61.6	66.0
Vietnam's exports to other major destination markets.--Canada	10.6	16.3	11.6
Hong Kong	1.3	3.5	4.7
Taiwan	3.6	2.5	4.3
Malaysia	2.6	2.6	2.8
Thailand	3.7	7.0	2.6
Japan	3.1	4.1	2.5
Singapore	0.1	---	1.8
Indonesia	0.4	0.8	1.0
All other destination markets	1.5	1.6	2.7
Total Vietnam exports	100.0	100.0	100.0

Source: Official import statistics from Vietnam reported under HTS subheading 7306.30 by various national statistical authorities in the IHS/GTA database, accessed September 6, 2016.

THE INDUSTRY IN THE SUBJECT COUNTRIES

Overview

In total, the Commission issued foreign producers' or exporters' questionnaires to 37 firms believed to produce and/or export CWP from the subject countries.[18] Useable responses to the Commission's questionnaire were received from the twelve firms listed previously in Part VII. These firms' subject exports to the United States accounted for 92.3 percent of U.S. imports of CWP from the subject countries during 2015. Table VII-22 presents information on the CWP operations of the responding producers and exporters in subject countries.

Table VII-22
CWP: Data on industry in subject sources, 2013-15, January to June 2015, and January to June 2016 and projection calendar years 2016 and 2017

* * * * * * *

Table VII-23
CWP: Data on industry in subject sources less all of Vietnam, 2013-15, January to June 2015, and January to June 2016 and projection calendar years 2016 and 2017

* * * * * * *

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-24 presents data on U.S. importers' reported inventories of CWP imports by source. Overall subject inventories increased by *** percent from 2013 to 2015, and were *** percent lower in the interim period of 2016 compared to the same period of 2015. Inventories from non-subject sources decreased by *** percent from 2013 to 2015, and were *** percent lower in the interim period of 2016 compared to the same period in 2015.

Table VII-24
CWP: U.S. importers' end-of-period inventories of imports by source, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

[18] These firms were identified through a review of information submitted in the petition, information requested in preliminary phase conference questions, questionnaire responses, and contained in proprietary Customs records.

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of CWP from July 2016 through June 2017. These data are presented in table VII-25.

Table VII-25
CWP: U.S. importers' arranged imports, July 2016 through June 2017

* * * * * * *

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, and UAE and CVD orders against India.[19]

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.'"[20]

The largest global exporters were China and Italy, with global export shares of 20.2 percent and 15.8 percent, respectively, in 2015 (Table VII-25).[21] Global exports increased during 2013 to 2015 by 417 thousand short tons (6.4 percent) while exports from China and Italy increased by 474 thousand short tons (50.7 percent) and 94 thousand short tons (9.3 percent), respectively.

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[19] 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).

[20] *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).

[21] Marcegaglia SpA, one of the world's largest pipe manufacturers, is headquartered in Italy.

Table VII-26
CWP: Global exports by exporter, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
United States	403,894	381,935	334,832
Subject exporters.--			
Oman	35,347	49,179	40,161
Pakistan	32,719	55,957	62,016
UAE	70,222	98,322	143,461
Vietnam	93,615	104,305	129,047
Subject exporters	231,903	307,764	374,685
All other major exporting countries.--			
China	934,018	1,146,965	1,407,543
Italy	1,006,303	1,100,893	1,099,934
Turkey	540,666	643,241	600,851
Korea	450,849	431,344	354,873
Germany	381,464	361,451	341,933
Russia	247,636	248,951	308,014
Canada	235,027	247,414	259,827
India	225,548	245,914	230,611
Spain	234,133	247,914	192,309
Switzerland	160,573	144,212	148,495
All other exporting countries	1,483,570	1,363,735	1,296,882
Total	6,535,583	6,871,732	6,952,933
	Value (1,000 dollars)		
United States	621,181	611,165	532,340
Subject exporters.--			
Oman	24,902	34,791	27,162
Pakistan	26,632	42,838	42,836
UAE	59,277	77,952	103,332
Vietnam	79,482	85,893	95,813
Subject exporters	190,293	241,474	269,143
All other major exporting countries.--			
China	734,967	872,421	945,876
Italy	1,061,882	1,122,144	915,147
Turkey	432,401	496,280	385,261
Korea	425,236	415,379	309,321
Germany	617,368	570,297	448,872
Russia	188,747	163,673	157,120
Canada	284,178	298,368	288,128
India	164,890	183,926	152,443
Spain	280,087	256,779	189,177
Switzerland	265,952	256,035	226,574
All other exporting countries.	1,877,498	1,724,798	1,345,111
Total global exports	7,144,680	7,212,740	6,164,512

Table continued on following page.

Table VII-26—Continued
CWP: Global exports by exporter, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
United States	1,538	1,600	1,590
Subject exporters.--			
Oman	705	707	674
Pakistan	814	766	689
UAE	844	793	716
Vietnam	849	823	736
Subject exporters	821	785	714
All other major exporting countries.--			
China	787	761	672
Italy	1,055	1,019	832
Turkey	800	772	641
Korea	943	963	872
Germany	1,618	1,578	1,313
Russia	762	657	510
Canada	1,209	1,206	1,109
India	731	748	661
Spain	1,196	1,036	984
Switzerland	1,656	1,775	1,526
All other exporting countries.	1,266	1,265	1,037
Total global exports	1,093	1,050	887
	Share of quantity (percent)		
United States	6.2	5.6	4.8
Subject exporters.--			
Oman	0.5	0.7	0.6
Pakistan	0.5	0.8	0.9
UAE	1.1	1.4	2.1
Vietnam	1.4	1.5	1.9
Subject exporters	3.5	4.5	5.4
All other major exporting countries.--			
China	14.3	16.7	20.2
Italy	15.4	16.0	15.8
Turkey	8.3	9.4	8.6
Korea	6.9	6.3	5.1
Germany	5.8	5.3	4.9
Russia	3.8	3.6	4.4
Canada	3.6	3.6	3.7
India	3.5	3.6	3.3
Spain	3.6	3.6	2.8
Switzerland	2.5	2.1	2.1
All other exporting countries.	22.7	19.8	18.7
Total global exports	100	100	100

Source: Subject countries are official imports statistics of imports under HTS subheading 7306.30 as reported by various countries' statistical authorities in the IHS/GTA database, accessed September 6, 2016. Other top exporting countries are official export statistics as reported in the IHS/GTA database.

Canada, Korea, and Mexico are three of the largest U.S. import sources with 2015 import shares of 8.6 percent, 15.6 percent, and 4.8 percent, respectively, of total U.S. imports by quantity (see Table IV-2). Export data for these countries are presented in tables VII-27, VII-28, and VII-29. The United States is the largest export market for Canada and Mexico, and accounted for about 90 percent of each country's exports in 2015. A large share of U.S. imports from Canada and Mexico are mechanical tubing intended for use in motor vehicles and are outside the product scope of these investigations.

Table VII-27
CWP: Canada exports by destination market, 2013-2015

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Canada's exports to the United States	233,133	236,134	238,882
Canada's exports to other major destination markets.--			
Mexico	289	9,809	18,199
China	129	328	1,235
Germany	202	228	303
Suriname	0	0	418
Malaysia	157	0	278
South Africa	28	84	125
Australia	62	98	69
Belgium	20	17	41
All other destination markets	1,007	716	275
Total Canada exports	235,026	247,414	259,826
	Value (1,000 dollars)		
Canada's exports to the United States	279,548	282,305	262,799
Canada's exports to other major destination markets.--			
Mexico	587	12,679	20,418
China	354	828	2,593
Germany	550	570	551
Suriname	0	0	481
Malaysia	384	0	267
South Africa	68	272	260
Australia	118	190	125
Belgium	48	38	81
All other destination markets	2,520	1,486	554
Total Canada exports	284,178	298,368	288,128

Table continued on next page.

Table VII-27—Continued
CWP: Canada exports by destination market, 2013-2015

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
Canada's exports to the United States	1,199	1,196	1,100
Canada's exports to other major destination markets.--			
Mexico	2,029	1,293	1,122
China	2,751	2,526	2,100
Germany	2,724	2,502	1,817
Suriname	0	0	1,149
Malaysia	2,449	2,223	959
South Africa	2,421	3,248	2,083
Australia	1,898	1,930	1,804
Belgium	2,449	2,273	1,982
All other destination markets	2,503	2,076	2,013
Total Korea exports	1,209	1,206	1,109
	Share of quantity (percent)		
Canada's exports to the United States	99.2	95.4	91.9
Canada's exports to other major destination markets.--			
Mexico	0.1	4.0	7.0
China	0.1	0.1	0.5
Germany	0.1	0.1	0.1
Suriname	0.0	0.0	0.2
Malaysia	0.1	0.0	0.1
South Africa	0.0	0.0	0.0
Australia	0.0	0.0	0.0
Belgium	0.0	0.0	0.0
All other destination markets	0.4	0.3	0.1
Total Canada exports	100.0	100.0	100.0

Source: Official Canada statistics under HTS subheading 7306.30 as reported by Statistics Canada in IHS/GTA database, accessed September 6, 2016.

Table VII-28
CWP: Korea exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Korea's exports to the United States	104,061	121,517	76,598
Korea's exports to other major destination markets.--			
Japan	125,409	157,850	127,639
Hong Kong	14,561	21,236	29,741
China	30,819	23,095	27,320
United Arab Emirates	4,997	6,562	9,933
Saudi Arabia	11,073	3,430	9,436
Mexico	15,964	7,955	9,420
Singapore	20,324	13,346	9,248
Thailand	9,486	10,259	9,150
All other destination markets	114,155	66,094	46,387
Total Korea exports	450,849	431,344	354,873
	Value (1,000 dollars)		
Korea's exports to the United States	90,605	113,281	57,432
Korea's exports to other major destination markets.--			
Japan	98,504	122,207	82,565
Hong Kong	11,325	15,860	20,120
China	46,957	30,202	29,157
United Arab Emirates	5,272	13,650	11,848
Saudi Arabia	8,686	3,080	5,225
Mexico	18,662	12,798	16,057
Singapore	15,998	9,772	6,555
Thailand	10,172	9,939	8,749
All other destination markets	119,053	84,590	71,612
Total Korea exports	425,236	415,379	309,321
	Unit value (dollars per short ton)		
Korea's exports to the United States	871	932	750
Korea's exports to other major destination markets.--			
Japan	785	774	647
Hong Kong	778	747	677
China	1,524	1,308	1,067
United Arab Emirates	1,055	2,080	1,193
Saudi Arabia	784	898	554
Mexico	1,169	1,609	1,705
Singapore	787	732	709
Thailand	1,072	969	956
All other destination markets	1,043	1,280	1,544
Total Korea exports	943	963	872

Table continued on next page.

Table VII-28--Continued
CWP: Korea exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Share of quantity (percent)		
Korea's exports to the United States	23.1	28.2	21.6
Korea's exports to other major destination markets.--			
Japan	27.8	36.6	36.0
Hong Kong	3.2	4.9	8.4
China	6.8	5.4	7.7
United Arab Emirates	1.1	1.5	2.8
Saudi Arabia	2.5	0.8	2.7
Mexico	3.5	1.8	2.7
Singapore	4.5	3.1	2.6
Thailand	2.1	2.4	2.6
All other destination markets	25.3	15.3	13.1
Total Korea exports	100.0	100.0	100.0

Source: Official Korean exports statistics under HTS subheading 7306.30 as reported by Korea Customs and Trade Development Institution in the IHS/GTA database, accessed September 6, 2016.

Table VII-29
CWP: Mexico exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Mexico's exports to the United States	98,543	88,742	87,032
Mexico's exports to other major destination markets.--			
Costa Rica	4,938	3,972	3,920
Guatemala	1,113	558	1,790
Puerto Rico (U.S.)	0	891	1,754
Brazil	1	19	1,568
Colombia	1,378	1,631	1,165
Cuba	4	17	960
Honduras	336	625	526
Nicaragua	144	419	523
All other destination markets	2,481	2,845	1,077
Total Mexico exports	108,935	99,719	100,315
	Value (1,000 dollars)		
Mexico's exports to the United States	116,672	89,615	75,674
Mexico's exports to other major destination markets.--			
Costa Rica	4,433	3,890	3,662
Guatemala	1,217	894	2,879
Puerto Rico (U.S.)	0	1,224	1,992
Brazil	20	38	2,673
Colombia	1,617	2,058	1,330
Cuba	6	33	1,681
Honduras	407	797	638
Nicaragua	177	719	606
All other destination markets	4,298	5,075	1,415
Total Mexico exports	128,846	104,341	92,551
	Unit value (dollars per short ton)		
Mexico's exports to the United States	1,184	1,010	870
Mexico's exports to other major destination markets.--			
Costa Rica	898	979	934
Guatemala	1,094	1,602	1,608
Puerto Rico (U.S.)	0	1,374	1,136
Brazil	34,836	1,980	1,705
Colombia	1,174	1,261	1,142
Cuba	1,814	1,979	1,751
Honduras	1,209	1,275	1,212
Nicaragua	1,230	1,717	1,158
All other destination markets	1,733	1,784	1,314
Total Mexico exports	1,183	1,046	923

Table continued on next page.

Table VII-29--Continued
CWP: Mexico exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Share of quantity (percent)		
Mexico's exports to the United States	90.5	89.0	86.8
Mexico's exports to other major destination markets.--			
Costa Rica	4.5	4.0	3.9
Guatemala	1.0	0.6	1.8
Puerto Rico (U.S.)	---	0.9	1.7
Brazil	0.0	0.0	1.6
Colombia	1.3	1.6	1.2
Cuba	0.0	0.0	1.0
Honduras	0.3	0.6	0.5
Nicaragua	0.1	0.4	0.5
All other destination markets	2.3	2.9	1.1
Total Mexico exports	100.0	100.0	100.0

Source: Official Mexican exports statistics under HTS subheading 7306.30 as reported by Mexico's INEGI in the IHS/GTA database, accessed September 6, 2016.

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*	https://www.gpo.gov/fdsys/pkg/FR-2015-11-03/html/2015-27955.htm
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*	https://www.gpo.gov/fdsys/pkg/FR-2015-11-25/html/2015-29988.htm
80 FR 73704, November 25, 2015	*Circular Welded Carbon-Quality Steel Pipe From Pakistan: Initiation Of Countervailing Duty Investigation*	https://www.gpo.gov/fdsys/pkg/FR-2015-11-25/html/2015-29946.htm
80 FR 79093, December 18, 2015	*Circular Welded Carbon-Quality Steel Pipe From Oman, Pakistan, The Philippines, The United Arab Emirates, And Vietnam* (Preliminary Determinations)	https://www.gpo.gov/fdsys/pkg/FR-2015-12-18/html/2015-31810.htm
81 FR 20619, April 8, 2016	*Circular Welded Carbon-Quality Steel Pipe From Pakistan: Preliminary Affirmative Countervailing Duty Determination And Alignment Of Final Countervailing Duty Determination With Final Antidumping Duty Determination*	https://www.gpo.gov/fdsys/pkg/FR-2016-04-08/html/2016-08147.htm

81 FR 20619, April 8, 2016	*Circular Welded Carbon-Quality Steel Pipe From Pakistan: Preliminary Affirmative Countervailing Duty Determination And Alignment Of Final Countervailing Duty Determination With Final Antidumping Duty Determination*	https://www.gpo.gov/fdsys/pkg/FR-2016-04-08/html/2016-08147.htm
81 FR 36871, June 8, 2016	*Circular Welded Carbon-Quality Steel Pipe From The Sultanate Of Oman: Affirmative Preliminary Determination Of Sales At Less Than Fair Value And Postponement Of Final Determination*	https://www.gpo.gov/fdsys/pkg/FR-2016-06-08/html/2016-13480.htm
81 FR 36867, June 8, 2016	*Circular Welded Carbon-Quality Steel Pipe From Pakistan: Affirmative Preliminary Determination Of Sales At Less Than Fair Value And Postponement Of Final Determination And Extension Of Provisional Measures*	https://www.gpo.gov/fdsys/pkg/FR-2016-06-08/html/2016-13481.htm
81 FR 36881, June 8, 2016	*Circular Welded Carbon-Quality Steel Pipe From The United Arab Emirates: Affirmative Preliminary Determination Of Sales At Less Than Fair Value And Postponement Of Final Determination*	https://www.gpo.gov/fdsys/pkg/FR-2016-06-08/html/2016-13528.htm
81 FR 36884, June 8, 2016	*Circular Welded Carbon-Quality Steel Pipe From The Socialist Republic Of Vietnam: Affirmative Preliminary Determination Of Sales At Less Than Fair Value And Postponement Of Final Determination*	https://www.gpo.gov/fdsys/pkg/FR-2016-06-08/html/2016-13484.htm
81 FR 41592, June 27, 2016	*Circular Welded Carbon-Quality Steel Pipe From Oman, Pakistan, The United Arab Emirates, And Vietnam; Scheduling Of The Final Phase Of Countervailing Duty And Antidumping Duty Investigations*	https://www.gpo.gov/fdsys/pkg/FR-2016-06-27/html/2016-15053.htm

81 FR 46048, July 15, 2016	*Antidumping Duty Investigation Of Circular Welded Carbon-Quality Steel Pipe From The Socialist Republic Of Vietnam: Amended Affirmative Preliminary Determination*	https://www.gpo.gov/fdsys/pkg/FR-2016-07-15/html/2016-16806.htm
81 FR 75045, October 28, 2016	*Circular Welded Carbon-Quality Steel Pipe From Pakistan: Final Affirmative Countervailing Duty Determination*	https://www.gpo.gov/fdsys/pkg/FR-2016-10-28/html/2016-26114.htm
81 FR 75026, October 28, 2016	*Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman: Final Determination of Sales at Less Than Fair Value*	https://www.gpo.gov/fdsys/pkg/FR-2016-10-28/html/2016-26108.htm
81 FR 75028, October 28, 2016	*Circular Welded Carbon-Quality Steel Pipe From Pakistan: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.gpo.gov/fdsys/pkg/FR-2016-10-28/html/2016-26113.htm
81 FR 75030, October 28, 2016	*Circular Welded Carbon-Quality Steel Pipe From the United Arab Emirates: Final Determination of Sales at Less Than Fair Value*	https://www.gpo.gov/fdsys/pkg/FR-2016-10-28/html/2016-26107.htm
81 FR 75042, October 28, 2016	*Circular Welded Carbon-Quality Steel Pipe From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value n*	https://www.gpo.gov/fdsys/pkg/FR-2016-10-28/html/2016-26112.htm

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

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

Inv. Nos.: 701-TA-549 and 731-TA-1290, 1300, 1302 and 1303 (Final)

Date and Time: October 13, 2016 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street, SW, Washington, DC.

CONGRESSIONAL WITNESS:

The Honorable Peter J. Visclosky, U.S. Representative, 1st District, Indiana

OPENING REMARKS:

Petitioners (**Paul W. Jameson**, 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
Western Tube & Conduit

Michael Blatz, President, Bull Moose Tube Company

Ted Schulz, Chief Financial Officer, Bull Moose Tube Company

James Charmley, Executive Vice President, Bull Moose Tube Company

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

Bill Snyder, President, EXLTUBE

Randy Boswell, President, Wheatland Tube

Kevin Kelly, Future President, Wheatland Tube

Roy Houseman, Legislative Representative, United Steelworkers

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

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

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

International Industries, Ltd. ("IIL")

Riyaz Chinoy, Chief Executive Officer, IIL

Peter Blair, Vice President, Connectors, Inc.

Jim Dougan, Vice President, Economic Consulting Services, LLC

Emma Peterson, Staff Economist, Economic Consulting Services, LLC

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

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

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

Universal Tube and Plastic Industries, Ltd.
UTP Pipe USA Corporation
Prime Metal Corporation USA
Ajmal Steel Tubes & Pipes Ind. L.L.C.
(collectively "UAE Respondents")

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

Jim Dougan, Vice President, Economic Consulting Services, LLC

Emma Peterson, Staff Economist, Economic Consulting Services, LLC

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

Law Offices of David L. Simon
Washington, DC
on behalf of

Al Jazeera Steel Products Co. SAOG

Alagraman Nagarajan Venkataraghavan, Chief Executive Officer, Al Jazeera Steel Products Co. SAOG

Indranil Chowdhuri, Chief of International Marketing, Al Jazeera Steel Products Co. SAOG

David L. Simon)
) – OF COUNSEL
Ayla Simon)

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

Trade Pacific PLLC
Washington, DC
on behalf of

Midwest Air Technologies Inc. ("MAT")
Vietnam Haiphong Hongyuan Machinery
Manufactory Co., Ltd ("Hongyuan')

Jonathan M. Freed)
) – OF COUNSEL
Jarrod M. Goldfeder)

REBUTTAL/CLOSING REMARKS:

Petitioners (**Roger B. Schagrin**, Schagrin Associates)
Respondents (**Julie C. Mendoza** *and* **R. Will Planert**, Morris, Manning & Martin, LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
CWP: Summary data concerning the U.S. market, 2013-15, January to June 2015, and January to June 2016
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. consumption quantity:									
Amount	1,646,576	1,703,144	1,812,903	1,035,304	835,407	10.1	3.4	6.4	(19.3)
Producers' share (fn1)	58.9	55.9	52.0	48.4	52.8	(6.9)	(3.0)	(3.9)	4.5
Importers' share (fn1):									
Oman	***	***	***	***	***	***	***	***	***
Pakistan	***	***	***	***	***	***	***	***	***
United Arab Emirates	***	***	***	***	***	***	***	***	***
Vietnam, subject	***	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***	***	***	***	***
Canada	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
Nonsubject plus all Vietnam	***	***	***	***	***	***	***	***	***
All sources	41.1	44.1	48.0	51.6	47.2	6.9	3.0	3.9	(4.5)
U.S. consumption value:									
Amount	1,591,189	1,666,783	1,621,944	935,680	704,429	1.9	4.8	(2.7)	(24.7)
Producers' share (fn1)	59.2	58.5	53.5	49.5	55.3	(5.8)	(0.7)	(5.1)	5.8
Importers' share (fn1):									
Oman	***	***	***	***	***	***	***	***	***
Pakistan	***	***	***	***	***	***	***	***	***
United Arab Emirates	***	***	***	***	***	***	***	***	***
Vietnam, subject	***	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***	***
Subject sources less all of Vietnam	***	***	***	***	***	***	***	***	***
Canada	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***
Vietnam, nonsubject	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
Nonsubject plus all Vietnam	***	***	***	***	***	***	***	***	***
All sources	40.8	41.5	46.5	50.5	44.7	5.8	0.7	5.1	(5.8)
U.S. importers' U.S. shipment of imports from:									
Oman:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Pakistan:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
United Arab Emirates:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Vietnam, subject:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources less all of Vietnam:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Canada:						***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Korea:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Mexico:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Vietnam, nonsubject:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources plus all of Vietnam:	***	***	***	***	***	***	***	***	***
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	677,042	751,219	870,744	534,663	393,970	28.6	11.0	15.9	(26.3)
Value	648,869	691,234	754,771	472,971	315,004	16.3	6.5	9.2	(33.4)
Unit value	$958	$920	$867	$885	$800	(9.6)	(4.0)	(5.8)	(9.6)
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table C-1--Continued
CWP: Summary data concerning the U.S. market, 2013-15, January to June 2015, and January to June 2016
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. producers':									
Average capacity quantity	1,636,782	1,680,218	1,653,998	900,465	776,661	1.1	2.7	(1.6)	(13.7)
Production quantity	1,009,640	991,816	978,804	541,011	459,309	(3.1)	(1.8)	(1.3)	(15.1)
Capacity utilization (fn1)	61.7	59.0	59.2	60.1	59.1	(2.5)	(2.7)	0.1	(0.9)
U.S. shipments:									
Quantity	969,534	951,925	942,159	500,641	441,437	(2.8)	(1.8)	(1.0)	(11.8)
Value	942,320	975,549	867,173	462,709	389,425	(8.0)	3.5	(11.1)	(15.8)
Unit value	$972	$1,025	$920	$924	$882	(5.3)	5.4	(10.2)	(4.6)
Export shipments:									
Quantity	44,794	34,752	33,421	19,337	11,346	(25.4)	(22.4)	(3.8)	(41.3)
Value	43,368	35,124	31,286	18,532	9,163	(27.9)	(19.0)	(10.9)	(50.6)
Unit value	$968	$1,011	$936	$958	$808	(3.3)	4.4	(7.4)	(15.7)
Ending inventory quantity	131,792	112,638	92,899	143,204	87,186	(29.5)	(14.5)	(17.5)	(39.1)
Inventories/total shipments (fn1)	13.0	11.4	9.5	13.8	9.6	(3.5)	(1.6)	(1.9)	(4.1)
Production workers	1,225	1,252	1,280	1,364	1,133	4.5	2.2	2.2	(16.9)
Hours worked (1,000s)	2,634	2,513	2,704	1,434	1,053	2.7	(4.6)	7.6	(26.6)
Wages paid ($1,000)	75,326	76,846	87,301	44,916	47,353	15.9	2.0	13.6	5.4
Hourly wages (dollars)	$28.60	$30.58	$32.29	$31.32	$44.97	12.9	6.9	5.6	43.6
Productivity (short tons per 1,000 hours)	383.3	394.7	362.0	377.3	436.2	(5.6)	3.0	(8.3)	15.6
Unit labor costs	$74.61	$77.48	$89.19	$83.02	$103.10	19.5	3.9	15.1	24.2
Net sales:									
Quantity	996,509	987,427	978,300	519,979	452,784	(1.8)	(0.9)	(0.9)	(12.9)
Value	1,042,977	1,006,394	917,769	481,232	398,589	(12.0)	(3.5)	(8.8)	(17.2)
Unit value	$1,047	$1,019	$938	$925	$880	(10.4)	(2.6)	(8.0)	(4.9)
Cost of goods sold (COGS)	940,452	915,978	808,952	441,417	292,662	(14.0)	(2.6)	(11.7)	(33.7)
Gross profit or (loss)	102,525	90,416	108,817	39,815	105,927	6.1	(11.8)	20.4	166.0
SG&A expenses	86,291	71,546	77,848	39,654	39,956	(9.8)	(17.1)	8.8	0.8
Operating income or (loss)	16,234	18,870	30,969	161	65,971	90.8	16.2	64.1	fn2
Net income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	$944	$928	$827	$849	$646	(12.4)	(1.7)	(10.9)	(23.9)
Unit SG&A expenses	$87	$72	$80	$76	$88	(8.1)	(16.3)	9.8	15.7
Unit operating income or (loss)	$16	$19	$32	$0	$146	94.3	17.3	65.6	fn2
Unit net income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (fn1)	90.2	91.0	88.1	91.7	73.4	(2.0)	0.8	(2.9)	(18.3)
Operating income or (loss)/sales (fn1)	1.6	1.9	3.4	0.03	16.6	1.8	0.3	1.5	16.5
Net income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined or not meaningful.

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

APPENDIX D

U.S. PRODUCERS AND U.S. IMPORTERS: DETAILED PIPE SIZE AND WALL THICKNESS DATA

Table D-1[1]
CWP: U.S. producers' U.S. shipments by pipe size and wall thickness, 2015

* * * * * * *

Table D-2
CWP: U.S. importers' U.S. shipments of imports from Oman by pipe size and wall thickness, 2015

* * * * * * *

Table D-3
CWP: U.S. importers' U.S. shipments of imports from Pakistan by pipe size and wall thickness, 2015

* * * * * * *

Table D-4
CWP: U.S. importers' U.S. shipments of imports from UAE by pipe size and wall thickness, 2015

* * * * * * *

Table D-5
CWP: U.S. importers' U.S. shipments of imports from Vietnam subject by pipe size and wall thickness, 2015

* * * * * * *

Table D-6
CWP: U.S. importers' U.S. shipments of imports from subject sources by pipe size and wall thickness, 2015

* * * * * * *

Table D-7
CWP: U.S. importers' U.S. shipments of imports from subject sources less Vietnam by pipe size and wall thickness, 2015

* * * * * * *

Table D-8
CWP: U.S. importers' U.S. shipments of imports from Canada by pipe size and wall thickness, 2015

* * * * * * *

[1] Data for Tables in this appendix do not include ***.

Table D-9
CWP: U.S. importers' U.S. shipments of imports from Korea by pipe size and wall thickness, 2015

* * * * * * *

Table D-10
CWP: U.S. importers' U.S. shipments of imports from Mexico by pipe size and wall thickness, 2015

* * * * * * *

Table D-11
CWP: U.S. importers' U.S. shipments of imports from Vietnam nonsubject by pipe size and wall thickness, 2015

* * * * * * *

Table D-12
CWP: U.S. importers' U.S. shipments of imports from all other sources by pipe size and wall thickness, 2015

* * * * * * *

Table D-13
CWP: U.S. importers' U.S. shipments of imports from nonsubject sources by pipe size and wall thickness, 2015

* * * * * * *

Table D-14
CWP: U.S. importers' U.S. shipments of imports from nonsubject sources plus all of Vietnam by pipe size and wall thickness, 2015

* * * * * * *

Table D-15
CWP: U.S. importers' U.S. shipments of imports from all sources by pipe size and wall thickness, 2015

* * * * * * *

APPENDIX E

NONSUBJECT COUNTRY PRICE DATA

Ten importers reported pricing data for shipments to distributors for nonsubject sources including Korea, de minimis Vietnamese firm (SeAH), and all other sources. Pricing data reported by these firms accounted for *** percent of U.S. commercial shipments from the de minimis Vietnamese firm, *** percent of U.S. commercial shipments from Korea, and *** percent of all U.S. shipments of product from all other sources in 2015. These price items and accompanying data are comparable to those presented in tables V-3 to V-6. Price and quantity data for nonsubject sources are shown in tables E-1 to E-4 and in figures E-1 to E-4 (along with domestic and subject sources).

In comparing nonsubject country pricing data with U.S. producer pricing data, prices for product imported from nonsubject Vietnamese sources were lower than prices for U.S.-produced product in 49 instances and higher in 5 instances; prices for product imported from Korea were lower in 24 instances and higher 18 instances; and prices for product imported from all other sources were lower in 45 instances and higher in 9 instances.[1] In comparing aggregated nonsubject pricing data with U.S. producer pricing data, prices from nonsubject sources were lower in 49 instances and higher in 7 instances. In comparing aggregated nonsubject pricing data with aggregated subject pricing data, prices from nonsubject forces were lower in 24 instances and higher in 32 instances. A summary of price differentials is presented in table E-5.

Table E-1

CWP: Weighted-average f.o.b. prices and quantities of imported product 1[1], by quarters, January 2013-June 2016

* * * * * * *

Table E-2

CWP: Weighted-average f.o.b. prices and quantities of imported product 2[1], by quarters, January 2013-June 2016

* * * * * * *

Table E-3

CWP: Weighted-average f.o.b. prices and quantities of imported product 3[1], by quarters, January 2013-June 2016

* * * * * * *

[1] Staff included pricing data for all other sources that were reported by importer ***. These data account for *** percent of the pricing data presented for all other sources.

Table E-4

CWP: Weighted-average f.o.b. prices and quantities of imported product 4[1], by quarters, January 2013-June 2016

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Figure E-1

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

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Figure E-2

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

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Figure E-3

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

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Figure E-4

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2013-June 2016

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Table E-5

CWP: Summary of underselling/(overselling), by country, January 2013-June 2016

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APPENDIX F

QUESTIONNAIRE RESPONSES OF U.S. PRODUCERS REGARDING THE EFFECTS OF RAW MATERIAL PRICES ON REPORTED PROFITABILITY

U.S. producers' individual responses regarding the effects of increasing prices for hot-rolled steel on reported profitability are presented below.

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U.S. producers' individual responses regarding the effects of decreasing prices for hot-rolled steel on reported profitability are presented below.

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APPENDIX G

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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