

# Certain Welded Stainless Steel Pipe from Korea and Taiwan

Investigation Nos. 731-TA-540-541 (Fourth Review)

Publication 4687

May 2017

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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. 731-TA-540-541 (Fourth Review)  
Certain Welded Stainless Steel Pipe from Korea and Taiwan

### **DETERMINATIONS**

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty orders on welded ASTM A-312 stainless steel pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### **BACKGROUND**

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on November 1, 2016 (81 F.R. 75845) and determined on February 6, 2017 that it would conduct expedited reviews (82 F.R. 12237, March 1, 2017).

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<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty orders on certain welded stainless steel pipe (“WSSP”) from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

***The Original Investigations and Prior Reviews.*** The original investigations resulted from petitions filed on November 18, 1991, with the U.S. Department of Commerce (“Commerce”) and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of imports of WSSP from Korea and Taiwan that were sold at less than fair value (“LTFV”). On December 18, 1992, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of WSSP from Korea and Taiwan,<sup>1</sup> and Commerce issued antidumping duty orders on those imports on December 30, 1992.<sup>2</sup>

In the first and second full reviews and third expedited reviews, the Commission cumulated subject imports from Korea and Taiwan and found that revocation of the antidumping duty orders on certain WSSP from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>3</sup> Commerce published notice of continuation of the antidumping duty orders following each of those reviews.<sup>4</sup>

***The Current Reviews.*** The Commission instituted these fourth reviews on November 1, 2016.<sup>5</sup> The Commission received a joint response to the notice of institution from Bristol Metals LLC (“Bristol Metals”), Felker Brothers Corporation (“Felker Brothers”), Marcegaglia USA, Inc. (“Marcegaglia”), and Outokumpu Stainless Pipe, Inc. (Outokumpu”), domestic

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<sup>1</sup> *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-540-541 (Final) USITC Pub. 2585 (December 1992) (“*Original Determinations*”). There were no appeals of the Commission’s original determinations or its three prior five-year review determinations.

<sup>2</sup> 57 Fed. Reg. 62300 (December 30, 1992).

<sup>3</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan*, Inv. Nos. 731-TA-540 and 541 (Review), USITC Pub. 3351 (September 2000) (“*First Five-Year Reviews*”); *Certain Welded Stainless Steel Pipe from Korea and Taiwan*, Inv. Nos. 731-TA-540 and 541 (Second Review), USITC Pub. 3877 (August 2006) (“*Second Five-Year Reviews*”); *Certain Welded Stainless Steel Pipe from Korea and Taiwan*, Inv. Nos. 731-TA-540 and 541 (Third Review), USITC Pub. 4280 (December 2011) (“*Third Five-Year Reviews*”).

<sup>4</sup> 65 Fed. Reg. 61143 (October 16, 2000), 71 Fed. Reg. 53412 (September 11, 2006); 76 Fed. Reg. 78614 (December 19, 2011).

<sup>5</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Institution of Five-Year Reviews*, 81 Fed. Reg. 75845 (November 1, 2016).

producers of WSSP (collectively, “Domestic Interested Parties”).<sup>6</sup> It did not receive a response to the notice of institution from any respondent interested party. Because the Commission received an adequate response from Domestic Interested Parties accounting for a substantial share of U.S. production of certain WSSP, the Commission determined that the domestic interested party group response was adequate. In the absence of an adequate respondent interested party response, or any other circumstances that would warrant full reviews, the Commission determined to conduct expedited reviews.<sup>7</sup>

**Data/Response Coverage.** U.S. industry data for these reviews are based on the information provided by the Domestic Interested Parties in response to the notice of institution, and information from the original investigations and the first, second, and third five-year reviews. The Domestic Interested Parties are believed to have accounted for \*\*\* percent of U.S. production of certain WSSP in 2015.<sup>8</sup>

No U.S. importer participated in these expedited reviews.<sup>9</sup> U.S. import data and related information are based on information from official import statistics, proprietary Customs data, and the prior proceedings.<sup>10</sup> No foreign producer or exporter of WSSP participated in these expedited reviews.<sup>11</sup> Foreign industry data and related information are based on information from the original investigations and three previous five-year reviews, as well as available information submitted by the Domestic Interested Parties in the current reviews.<sup>12</sup>

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>13</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>14</sup> The Commission’s

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<sup>6</sup> Domestic Interested Parties’ Response to the Notice of Institution, dated December 1, 2016 (“Response”).

<sup>7</sup> *Welded Stainless Steel Pipe from Korea and Taiwan, Scheduling of Expedited Five-Year Reviews*, 82 Fed. Reg. 12237 (February 6, 2017).

<sup>8</sup> Confidential Report (“CR”) at Table I-1; Public Report (“PR”) at Table I-1.

<sup>9</sup> CR/PR at Table I-1.

<sup>10</sup> CR at I-21, PR at I-16, and CR/PR at Table I-4.

<sup>11</sup> CR/PR at Table I-1.

<sup>12</sup> CR at I-27-28, I-30 to I-31, PR at I-20 to I-21, I-23 to I-24, and CR/PR at Tables I-9 and I-10.

<sup>13</sup> 19 U.S.C. § 1677(4)(A).

<sup>14</sup> 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>15</sup>

Commerce has defined the scope of the antidumping duty orders in these five-year reviews as follows:

The merchandise covered by the merchandise subject to the antidumping duty orders is welded austenitic stainless steel pipe that meets the standards and specifications set forth by the American Society for Testing and Materials (ASTM) for the welded form of chromium-nickel pipe designated ASTM A-312. The merchandise covered by the scope of the order also includes austenitic welded stainless steel pipes made according to the standards of other nations, which are comparable to ASTM A-312.

Welded ASTM A-312 stainless steel pipe (WSSP) is produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. WSSP is a commodity product generally used as a conduit to transmit liquids or gases. Major applications for steel pipe include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines.<sup>16</sup>

Standard ASTM specification A-312 is the most common ASTM specification for stainless steel pipe. Welded A-312 pipe is designed for high-temperature, high pressure, general corrosive-resistance service, and thus must be annealed (heat treated) after welding. Major uses for welded A-312 pipe include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines such as those in breweries, paper mills, and general food processing facilities. Stainless steel A-778 pipe is similar to A-312 pipe, but does not require post-weld annealing. A-778 pipe is most often used in the pulp and paper industry and for wastewater applications, due to its ability to resist corrosive contact, albeit at somewhat lower levels than A-312 pipe. A-778 pipe is also used in corn fermentation systems to produce ethanol and low-pressure fluid transfer systems.<sup>17</sup>

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<sup>15</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (December 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (February 2003).

<sup>16</sup> *Welded ASTM A-312 Stainless Steel Pipe from South Korea and Taiwan: Final Results of Expedited Fourth Sunset Review*, 82 Fed. Reg. 12798 (March 7, 2017).

<sup>17</sup> CR at I-5, PR at I-4.

## 1. The Original Investigations and Prior Reviews

In the original investigations, the Commission defined the domestic like product to encompass all welded stainless steel pipes (“all WSSP”), a category of WSSP and tubes broader than Commerce’s scope description (which was limited to welded ASTM A-312 stainless steel pipe). Explaining that there was not a clear dividing line between A-312 pipe and other WSSP with respect to the domestic like product factors that it typically considers, the Commission found a single domestic like product consisting of all WSSP, other than mechanical and grade 409 tube.<sup>18</sup> Thus, in addition to welded ASTM A-312 stainless steel pipe, the domestic like product definition in the original investigations included such tubular products as ASTM A-778 and A-358 pipes, and ASTM A-249, A-269, and A-270 pressure tubes.<sup>19</sup>

In the first reviews, the Commission found no significant changes in the products at issue or in the factors it considers, nor any other appropriate circumstance that warranted revisiting the domestic like product definition from the original investigations.<sup>20</sup> Accordingly, the Commission again defined the domestic like product as consisting of all WSSP, other than mechanical and grade 409 tube.<sup>21</sup>

In the second reviews, the Domestic Interested Parties argued that the domestic like product definition from the original investigations and first reviews should be narrowed to include only welded A-312 and A-778 pipes.<sup>22</sup> The Commission found it appropriate to revisit the issue, and based on the record in those reviews, it defined the domestic like product to include only ASTM A-312 and A-778 WSSP.<sup>23</sup>

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<sup>18</sup> In the original investigations, petitioners argued that the Commission should define the domestic like product coextensive with the scope and not include non-welded A-312 pipes, pressure tubes, mechanical tubes, or grade 409 tubes. Respondents, on the other hand, maintained that the domestic like product should include all welded stainless steel pipes and tubes. With respect to the various domestic like product factors, the Commission found that the dividing lines between A-312 pipes and other types of welded stainless steel pipes and pressure tubes were not clear, while it also found that A-312 pipes were clearly distinct from mechanical and grade 409 tubes. Accordingly, the Commission found a single domestic like product consisting of all welded stainless steel pipes and pressure tubes, excluding grade 409 and mechanical tubes. *Original Determinations*, USITC Pub. 2585 at 5-17.

<sup>19</sup> *Original Determinations*, USITC Pub. 2585 at 7-13, 16-17.

<sup>20</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 5.

<sup>21</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 5.

<sup>22</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 5.

<sup>23</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 4-7. The Commission concluded that the evidence in the second five-year reviews demonstrated that welded A-312 pipe was similar to welded A-778 pipe, particularly in terms of physical characteristics, interchangeability, channels of distribution, manufacturing facilities, and customer and producer perceptions. It also concluded that welded A-312 and A-778 pipe differed from all other WSSP and tubes in terms of physical characteristics and uses, manufacturing facilities, and customer and producer perceptions. It further found that there was limited interchangeability and some differences in channels of distribution and price between welded A-

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In the third reviews, the Domestic Interested Parties stated that that they agreed with the definition of the domestic like product from the second five-year reviews.<sup>24</sup> No party argued to the contrary.<sup>25</sup> The Commission found that the record in the third reviews did not indicate any significant changes in the products at issue or that any other appropriate circumstances warranted revisiting the Commission’s domestic like product determination from the second reviews.<sup>26</sup> Therefore, the Commission again defined a single domestic like product consisting of ASTM A-312 and A-778 WSSP, or certain WSSP.<sup>27</sup>

## 2. The Current Review

In these reviews, the Domestic Interested Parties have stated that they agree with the domestic like product definition the Commission adopted in the third five-year reviews.<sup>28</sup> There is no new information obtained in these reviews that would suggest any reason to revisit the domestic like product definition.<sup>29</sup> We therefore define a single domestic like product consisting of ASTM A-312 and A-778 WSSP.

### B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>30</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations and first reviews, the Commission defined the domestic industry, consistent with its definition of the domestic like product, to include all domestic producers of welded stainless steel pipes and pressure tubes.<sup>31</sup> By contrast, the Commission defined the domestic industry in the second and third five-year reviews to include U.S.

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312 and A-778 pipe and all other types of WSSP and tubes. *Id.* Accordingly, the Commission defined the domestic like product to include only ASTM A-312 and A-778 WSSP. *Id.* at 7.

<sup>24</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 8.

<sup>25</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 8.

<sup>26</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 8.

<sup>27</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 8.

<sup>28</sup> Response at 26.

<sup>29</sup> See generally CR at I-7 to I-9, PR at I-6 to I-7.

<sup>30</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>31</sup> *Original Determinations*, USITC Pub. 2585 at 17; *First Five-Year Reviews*, USITC Pub. 3351 at 6.

producers of ASTM A-312 and A-778 welded stainless steel pipe, consistent with its revised definition of the domestic like product.<sup>32</sup>

In these reviews, the Domestic Interested Parties agree with the domestic industry definition used in the second and third five-year reviews.<sup>33</sup> There are no related party or domestic industry issues in these reviews.<sup>34</sup> We consequently define the domestic industry to include all U.S. producers of ASTM A-312 and A-778 welded stainless steel pipe.

### III. Cumulation

#### A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>35</sup>

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.<sup>36</sup> The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

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<sup>32</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 7; *Third Five-Year Reviews*, USITC Pub. 4280 at 8.

<sup>33</sup> Response at 26.

<sup>34</sup> CR at I-19, PR at I-14.

<sup>35</sup> 19 U.S.C. § 1675a(a)(7).

<sup>36</sup> 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

## B. Cumulation in the Original Investigations and Prior Reviews

In the original investigations, the Commission cumulated subject imports from Korea and Taiwan.<sup>37</sup> It found a reasonable overlap of competition between subject imports from both countries and between subject imports and the domestic like product.<sup>38</sup>

In each of the prior reviews, the Commission did not find that subject imports from either Korea or Taiwan would be likely to have no discernible adverse impact on the domestic industry in the event of revocation.<sup>39</sup> The Commission further found that there was a likely reasonable overlap of competition between subject imports from Korea and Taiwan and between subject imports from each country and the domestic like product. It did not find significant differences in the likely conditions of competition between imports from different subject sources.<sup>40</sup> On that basis, the Commission cumulated subject imports from Korea and Taiwan in all three prior reviews.<sup>41</sup>

## C. Analysis

In these reviews, the statutory threshold for cumulation is satisfied as both reviews were initiated on the same day: November 1, 2016.<sup>42</sup> In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from either of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

### 1. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>43</sup> Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in

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<sup>37</sup> *Original Determinations*, USITC Pub. 2585 at 22-23.

<sup>38</sup> *Original Determinations*, USITC Pub. 2585 at 22-23.

<sup>39</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 9; *Second Five-Year Reviews*, USITC Pub. 3877 at 10; *Third Five-Year Reviews*, USITC Pub. 4280 at 10-11.

<sup>40</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 9-10; *Second Five-Year Reviews*, USITC Pub. 3877 at 10-11; *Third Five-Year Reviews*, USITC Pub. 4280 at 11-12.

<sup>41</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 10; *Second Five-Year Reviews*, USITC Pub. 3877 at 11-12; *Third Five-Year Reviews*, USITC Pub. 4280 at 13.

<sup>42</sup> *Certain Welded Stainless Steel Pipe From Korea and Taiwan; Institution of Five-Year Reviews*, 81 Fed. Reg. 75845 (November 1, 2016).

<sup>43</sup> 19 U.S.C. § 1675a(a)(7).

determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>44</sup> With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that subject imports from Korea or Taiwan would likely have no discernible adverse impact on the domestic industry in the event of revocation.

*Korea.* Subject imports from Korea have maintained a presence in the U.S. market from the original investigations through the current period of review. In 1991, during the original investigation, subject imports from Korea totaled 5,074 short tons and accounted for 8.3 percent of apparent U.S. consumption.<sup>45</sup> Subject imports from Korea were \*\*\* short tons, accounting for 3.0 percent of apparent U.S. consumption in 1999, 5,716 short tons, accounting for 7.3 percent of apparent U.S. consumption in 2005, and 4,680 short tons, accounting for 6.0 percent of apparent U.S. consumption in 2010.<sup>46</sup> During the current period of review, subject imports from Korea have remained present in the U.S. market at fluctuating volumes, ranging from a low of 3,463 short tons in 2013 to a high of 14,363 short tons in 2014.<sup>47</sup> In 2015, subject imports from Korea were 6,854 short tons, accounting for 9.8 percent of apparent U.S. consumption.<sup>48</sup>

The Domestic Interested Parties have identified three firms they believe to be producers of WSSP in Korea.<sup>49</sup> In prior reviews, the Commission found that the Korean WSSP industry is export oriented, has substantial unused capacity, and faces trade barriers in third country markets.<sup>50</sup> Data from the *Global Trade Atlas* for HTS subheading 7306.40, circular welded stainless steel tube and pipe, which includes certain WSSP as well as out-of-scope merchandise, indicate that Korean exports of WSSP to the United States increased 25.7 percent from 2011, and that the United States was Korea’s largest export market during each year of the period of review.<sup>51</sup> In October 2015, Thailand initiated an antidumping duty investigation on imports of stainless steel pipe and tube from Korea classifiable under HTS 7306.40.<sup>52</sup>

Given the demonstrated interest in the U.S. marketplace, the export orientation of the Korean industry, and an ability for exporters to easily transfer shipments among markets, we do

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<sup>44</sup> SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

<sup>45</sup> CR/PR at Tables I-5 and I-6.

<sup>46</sup> CR/PR at Tables I-5 and I-6.

<sup>47</sup> CR/PR at Table I-4.

<sup>48</sup> CR/PR at Tables I-4, I-5, and I-6.

<sup>49</sup> Response at 25; CR at I-27.

<sup>50</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 14-15; *Second Five-Year Reviews*, USITC Pub. 3877 at 17-18; *Third Five-Year Reviews*, USITC Pub. 4280 at 18-19.

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

<sup>52</sup> CR at I-29, PR at I-21.



not find that subject imports from Korea would likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

*Taiwan.* Subject imports from Taiwan have retained a presence in the U.S. market from the original investigations through the present reviews. In 1991, during the original investigations, there were 9,197 short tons of subject imports from Taiwan, accounting for 15.1 percent of apparent U.S. consumption.<sup>53</sup> There were \*\*\* short tons of subject imports from Taiwan in 1999, accounting for \*\*\* percent of apparent U.S. consumption, \*\*\* short tons of subject imports from Taiwan in 2005, accounting for \*\*\* percent of apparent U.S. consumption, and \*\*\* short tons of subject imports from Taiwan in 2010, accounting for \*\*\* percent of apparent U.S. consumption.<sup>54</sup> In the current reviews, subject imports from Taiwan were present in the U.S. market at levels similar to those in prior reviews, ranging from \*\*\* short tons in 2011 to \*\*\* short tons in 2015.<sup>55</sup> In 2015, subject imports from Taiwan accounted for \*\*\* percent of apparent U.S. consumption.<sup>56</sup>

The Domestic Interested Parties have identified four firms they believe to be producers of WSSP in Taiwan.<sup>57</sup> Two producers of WSSP in Taiwan have been excluded from the antidumping duty order since the first reviews.<sup>58</sup> In prior reviews of WSSP, the Commission has found that the Taiwan WSSP industry is export oriented, has substantial unused capacity, and faces trade barriers in third country markets.<sup>59</sup> Data from the *Global Trade Atlas* for HTS subheading 7306.40, circular welded stainless steel tube and pipe, which includes certain WSSP as well as out-of-scope merchandise and product from the producers excluded from the orders, indicate that Taiwan exports of WSSP to the United States increased 21.7 percent from 2011 (27,961 short tons) to 2015 (34,017 short tons), and that the United States was Taiwan's largest export market during each year of the period of review.<sup>60</sup>

In light of the foregoing, including the demonstrated interest in the U.S. market and the large volume of total WSSP exports from Taiwan, we do not find that subject imports from Taiwan would likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

## 2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like

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<sup>53</sup> CR/PR at Tables I-5 and I-6.

<sup>54</sup> CR/PR at Tables I-5 and I-6.

<sup>55</sup> CR/PR at Tables I-4, I-5, and I-6.

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

<sup>57</sup> Response at 25-26; CR at I-30 to I-31, PR at I-23 to I-24.

<sup>58</sup> CR/PR at Tables I-4, I-5, and I-6; CR at I-31, PR at I-23.

<sup>59</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 14-15; *Second Five-Year Reviews*, USITC Pub. 3877 at 17-18; *Third Five-Year Reviews*, USITC Pub. 4280 at 18-19.

<sup>60</sup> CR/PR at Table I-10.

product.<sup>61</sup> Only a “reasonable overlap” of competition is required.<sup>62</sup> In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.<sup>63</sup>

*Fungibility.* In the original investigations and subsequent reviews, the Commission found that subject imports from Korea and Taiwan were fungible with both the domestic like product and with each other.<sup>64</sup> In the third review, the Commission emphasized that available information, including reporting by market participants in the prior proceedings, indicated that welded ASTM A-312 pipe is generally manufactured to standard industry specifications and that there is a very high degree of substitution between domestically produced welded ASTM A-312 pipe and welded ASTM A-312 pipe from Korea and Taiwan. It also indicated that ASTM A-312 pipe constituted an overwhelming proportion of the domestic like product.<sup>65</sup> There is no new information on the record in these current reviews to indicate that the fungibility of subject imports with each other and with the domestic like product has changed.<sup>66</sup>

*Channels of Distribution.* In the original investigations and subsequent reviews, the Commission found that imports from both subject countries and the domestic like product were sold in similar channels of distribution (most to end users, with the balance to

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<sup>61</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

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

<sup>63</sup> See generally, *Cheflin Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

<sup>64</sup> *Original Determinations*, USITC Pub. 2585 at 22; *First Five-Year Reviews*, USITC Pub. 3351 at 9; *Second Five-Year Reviews*, USITC Pub. 3877 at 11; *Third Five-Year Reviews*, USITC Pub. 4280 at 12.

<sup>65</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 11-12.

<sup>66</sup> CR at I-26 to I-27, PR at I-19 to I-20.

distributors).<sup>67</sup> There is no new information in these reviews to indicate that this has changed.<sup>68</sup>

*Geographic Overlap.* In the original investigations and subsequent reviews, the Commission found overlapping geographical markets for subject imports and the domestic like product.<sup>69</sup> In these reviews, there appears to be a continuing overlap with one port, Los Angeles, through which subject imports from Korea and Taiwan entered the U.S. market.<sup>70</sup>

*Simultaneous Presence in Market.* In the original investigations and subsequent reviews, the Commission found that subject imports from Korea and Taiwan and the domestic like product were all present in the U.S. market throughout the relevant periods.<sup>71</sup> As previously discussed, subject imports from Korea and Taiwan have been present in the U.S. market each year from 2011 to 2015.<sup>72</sup>

*Conclusion.* The record of these expedited reviews contains very limited information concerning the characteristics of subject imports in the U.S. market during the period of review. Nonetheless, there is no information suggesting that the reasonable overlap of competition found in the original investigations and prior reviews would not exist upon revocation. In light of this, and the absence of any contrary arguments, we find a likely reasonable overlap of competition between subject imports from Korea and Taiwan and among the domestic like product and subject imports from each source.

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

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether imports from each of the subject countries would compete under similar or different conditions in the U.S. market if the orders under review were revoked.

In the first reviews, the Commission considered the consistent presence of subject imports from Korea and Taiwan in the U.S. market since the original investigations and the substantial capacity of the industries in Korea and Taiwan and concluded that if the orders were revoked, subject imports would likely compete in the U.S. market under similar conditions of competition.<sup>73</sup> In the second and third reviews, the Commission found that the record did not indicate there were any significant changes in the conditions of competition under which

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<sup>67</sup> *Original Determinations*, USITC Pub. 2585 at 22; *First Five-Year Reviews*, USITC Pub. 3351 at 9; *Second Five-Year Reviews*, USITC Pub. 3877 at 11; *Third Five-Year Reviews*, USITC Pub. 4280 at 12.

<sup>68</sup> CR at I-26 to I-27, PR at I-19 to I-20.

<sup>69</sup> *Original Determinations*, USITC Pub. 2585 at 22; *First Five-Year Reviews*, USITC Pub. 3351 at 9; *Second Five-Year Reviews*, USITC Pub. 3877 at 11; *Third Five-Year Reviews*, USITC Pub. 4280 at 12.

<sup>70</sup> CR/PR at Table I-8.

<sup>71</sup> *Original Determinations*, USITC Pub. 2585 at 22; *First Five-Year Reviews*, USITC Pub. 3351 at 9; *Second Five-Year Reviews*, USITC Pub. 3877 at 11; *Third Five-Year Reviews*, USITC Pub. 4280 at 12.

<sup>72</sup> CR/PR at Tables I-4 and I-7.

<sup>73</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 9.

subject imports from Korea and Taiwan were likely to compete in the U.S. market if the orders were revoked.<sup>74</sup>

The record in these reviews, similarly, does not indicate that there would likely be any significant differences in the conditions of competition among subject imports upon revocation. Accordingly, we exercise our discretion to cumulate subject imports from Korea and Taiwan.

#### **IV. Revocation of the Antidumping Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

##### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>75</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>76</sup> Thus, the likelihood standard is prospective in nature.<sup>77</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>78</sup>

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<sup>74</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 11-12; *Third Five-Year Reviews*, USITC Pub. 4280 at 13.

<sup>75</sup> 19 U.S.C. § 1675a(a).

<sup>76</sup> SAA, H.R. Rep. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>77</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>78</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (Continued...)

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>79</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>80</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>81</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>82</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>83</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>84</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign

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(...Continued)

(2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>79</sup> 19 U.S.C. § 1675a(a)(5).

<sup>80</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>81</sup> 19 U.S.C. § 1675a(a)(1).

<sup>82</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the antidumping duty orders on A-312 pipe from Korea and Taiwan. See CR at I-16 to I-17, PR at I-12 to I-13.

<sup>83</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>84</sup> 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>85</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>86</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>87</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>88</sup>

As discussed above, no respondent interested party participated in these expedited reviews. The record, therefore, contains limited information with respect to the industries in Korea and Taiwan that produce certain WSSP. There is also limited information on the certain WSSP market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and the prior reviews, data submitted in the response to the notice of institution, and other public data.

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<sup>85</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>86</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>87</sup> 19 U.S.C. § 1675a(a)(4).

<sup>88</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

## B. Likely Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>89</sup> The following conditions of competition inform our determinations.

**Demand.** In the original investigations, the Commission found that demand for WSSP was driven by demand for its downstream uses in the chemical, pulp/paper, and energy industries.<sup>90</sup> In subsequent reviews, the Commission reiterated that U.S. demand for WSSP depends primarily on the level of demand for downstream products using such pipe, including products in the petrochemical, pharmaceutical, and food processing industries.<sup>91</sup> In the first reviews, the Commission found that apparent U.S. consumption of all WSSP had increased since the original investigations.<sup>92</sup> In the second reviews, the Commission found that apparent U.S. consumption of certain WSSP declined by 4.3 percent from 2000 to 2005.<sup>93</sup> In the third reviews, the Commission observed that demand for certain WSSP had declined modestly over the past decade.<sup>94</sup>

In these reviews, the Domestic Interested Parties state that demand for certain WSSP depends primarily on the level of demand for downstream products using such pipe and that this demand increased early in the period of review (“POR”) and then subsequently fluctuated or declined.<sup>95</sup> Apparent U.S. consumption of certain WSSP was lower in 2015, at 69,924 short tons, than in 2010 at the end of the third period of review, when it was 78,379 short tons.<sup>96</sup> Domestic Interested Parties state that there is no likely significant growth in demand anticipated for the reasonably foreseeable future.<sup>97</sup>

**Supply.** In the original investigations, the Commission did not address supply conditions of competition. In the first reviews, the Commission found that the domestic industry’s capacity utilization declined during the POR.<sup>98</sup> The Commission found that nonsubject imports increased steadily during the POR, with nonsubject merchandise from Taiwan (*i.e.*, imports of certain WSSP from producers excluded from the orders) comprising a significant portion of those increased imports.<sup>99</sup> The Commission also found that increasing volumes of subject and

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<sup>89</sup> 19 U.S.C. § 1675a(a)(4).

<sup>90</sup> *Original Determinations*, USITC Pub. 2585 at 17.

<sup>91</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 13; *Second Five-Year Reviews*, USITC Pub. 3877 at 15; *Third Five-Year Reviews*, USITC Pub. 4280 at 15.

<sup>92</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 13.

<sup>93</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 15.

<sup>94</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 15.

<sup>95</sup> Response at 15, 20.

<sup>96</sup> CR/PR at Table I-6.

<sup>97</sup> Response at 20.

<sup>98</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 13

<sup>99</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 13.

nonsubject imports had supplied virtually all of the growth in apparent U.S. consumption of all WSSP during the POR.<sup>100</sup>

In the second reviews, the Commission found that there had been some consolidation of the domestic industry since the first reviews, including one domestic producer of certain WSSP ceasing production while another producer relocated its certain WSSP operations outside the United States.<sup>101</sup> The Commission also found that the domestic industry's market share had declined overall from 2000 to 2005, while the respective market shares of subject imports and nonsubject imports had increased over the POR.<sup>102</sup>

In the third reviews, the Commission observed that that one of the largest U.S. producers had exited the market for certain WSSP during the POR.<sup>103</sup> The Commission found that the respective market shares of the domestic industry, subject imports, and nonsubject imports were virtually unchanged since the second reviews.<sup>104</sup>

In these reviews, Bristol Metals, Felker Brothers, Marcegaglia, and Outokumpu produced and supplied certain welded stainless steel pipe to the U.S. market, in addition to three other reported domestic producers.<sup>105</sup> Nonsubject imports accounted for the largest share of apparent U.S. consumption in 2015, with a \*\*\* percent share of the market. This was larger than their share in 2010, which was \*\*\* percent.<sup>106</sup> The domestic industry accounted for the next largest share of apparent U.S. consumption by quantity in 2015, though its share had declined since 2010; the industry's share of the market was 34.3 percent in 2015 and 46.8 percent in 2010.<sup>107</sup> Cumulated subject imports from Korea and Taiwan accounted for \*\*\* percent of apparent U.S. consumption in 2015, which was higher than their \*\*\* percent share in 2010.<sup>108</sup>

***Substitutability and Other Conditions.*** In the original investigations and first reviews, the Commission found that the domestic like product and subject imports were highly substitutable and that price was important in purchasing decisions.<sup>109</sup> In subsequent reviews,

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<sup>100</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 13.

<sup>101</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 15-16.

<sup>102</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 16.

<sup>103</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 16.

<sup>104</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 16.

<sup>105</sup> CR at I-18, PR at I-14. The Domestic Interested Parties also identified Alaskan Copper and Brass Company, Rath Gibson, and Webco as U.S. producers of certain welded stainless steel pressure pipe. CR at I-18 n.50, PR at I-14 n.50; Response at Exhibit 3.

<sup>106</sup> CR/PR at Table I-6. The share of apparent U.S. consumption held by nonsubject imports from Taiwan was \*\*\* percent in 2010 and \*\*\* percent in 2015. The share of apparent U.S. consumption held by nonsubject imports from all other sources was 23.3 percent in 2010 and 28.3 percent in 2015. *Id.*

<sup>107</sup> CR/PR at Table I-6.

<sup>108</sup> CR/PR at Table I-6.

<sup>109</sup> *Original Determinations*, USITC Pub. 2585 at 22; *First Five-Year Reviews*, USITC Pub. 3351 at



the Commission continued to find a substantial degree of substitutability between subject imports and the domestic like product, and that price remained important.<sup>110</sup>

In the original investigations, the Commission observed that the primary raw materials used for WSSP were nickel and ferrochromium, and found that the domestic industry was affected by the worldwide decline in prices of these raw materials.<sup>111</sup> In subsequent reviews, the Commission found that raw material costs for WSSP increased during the POR.<sup>112</sup>

There is no new information available in these expedited reviews to indicate that the substitutability between domestically produced certain WSSP and subject imports, regardless of source, has changed since the prior reviews and price remains an important factor in purchasing decisions. Accordingly we again find a substantial degree of substitutability between subject imports and the domestic like product and, similarly, there is nothing to suggest that price is no longer an important factor.

### C. Likely Volume of Subject Imports

***The Original Investigations and Prior Reviews.*** In the original investigations, the Commission found that the volume of cumulated subject imports increased by 303.4 percent during the period of investigation (“POI”).<sup>113</sup> The Commission also found that the market share of cumulated subject imports increased by 10.6 percentage points, while the market share of the domestic industry decreased by 10.0 percentage points over the POI.<sup>114</sup> Accordingly, the Commission found that the volume of cumulated subject imports, as well as the increase in such volume, was significant, both in absolute terms and relative to production and consumption.<sup>115</sup>

In each of the prior reviews, the Commission found that revocation of the orders would likely result in a significant increase in subject import volume within a reasonably foreseeable time. The Commission found that, regardless of whether absolute volumes and market shares of cumulated subject imports generally decreased (as in the first and third five-year reviews) or increased irregularly (as in the second five-year reviews), cumulated subject imports remained at significant levels and maintained a significant presence in the U.S. market during the pertinent POR. The Commission also found that subject foreign producers retained significant capacity, unused capacity, and were export oriented.<sup>116</sup>

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<sup>110</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 11, 16-17; *Third Five-Year Reviews*, USITC Pub. 4280 at 16-17.

<sup>111</sup> *Original Determinations*, USITC Pub. 2585 at 17-18.

<sup>112</sup> *First Reviews*, USITC Pub. 3877 at 16; *Second Reviews*, USITC Pub. at 16; *Third Reviews*, USITC Pub. 4280 at 16.

<sup>113</sup> *Original Determinations*, USITC Pub. 2585 at 24.

<sup>114</sup> *Original Determinations*, USITC Pub. 2585 at 24.

<sup>115</sup> *Original Determinations*, USITC Pub. 2585 at 24.

<sup>116</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 14-16; *Second Five-Year Reviews*, USITC Pub. 3877 at 17-18; *Third Five-Year Reviews*, USITC Pub. 4280 at 18-19.

**The Current Review.** The information available in the current reviews indicates that subject import volume would likely be significant if the orders were revoked. Subject import volume fluctuated during the period of review, but was higher in 2015 than in 2010, and subject imports were present in appreciable quantities in the U.S. market throughout the POR.<sup>117</sup> Cumulated subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2015.<sup>118</sup>

The subject WSSP producers have the ability to increase exports of certain WSSP substantially in the event of revocation. The record contains only limited data concerning the WSSP industries in the subject countries because no producer or exporter of subject merchandise participated in these expedited reviews. The available information indicates that the subject industries in Korea and Taiwan possess large production capacity and considerable excess capacity.<sup>119</sup> Additionally, the most recent information available also indicates that the subject producers possess the ability to shift exports readily to A-312 pipe from other types of pipe.<sup>120</sup> Consequently, subject WSSP producers will likely have the ability to increase shipments of subject merchandise significantly to the United States should the antidumping duty orders be revoked.

The information available also indicates that the subject industries in Korea and Taiwan remain export oriented. Global Trade Atlas (“GTA”) data show that the subject producers continue to export significant volumes of WSSP,<sup>121</sup> and that Korea and Taiwan are among the top exporters of WSSP globally.<sup>122</sup> In addition, The United States was the single largest export market for WSSP from subject producers in both Korea and Taiwan over the POR.<sup>123</sup> The United States remains an attractive market to the WSSP industries in the subject countries. The subject countries have demonstrated an ongoing interest in serving the United States

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<sup>117</sup> Cumulated subject import volume was \*\*\* short tons in 2011, \*\*\* short tons in 2012, \*\*\* short tons in 2013, \*\*\* short tons in 2014, and \*\*\* short tons in 2015. CR/PR at Table I-4. *See also* Response at 18-20 and data tables.

<sup>118</sup> The market share held by cumulated subject imports from Korea and Taiwan was 23.5 percent in 1991, \*\*\* percent in 1999, \*\*\* percent in 2005, \*\*\* percent in 2010, and \*\*\* percent in 2015. CR/PR at Table I-6.

<sup>119</sup> *See First Five-Year Reviews*, Confidential Report, INV-X-197 (August 29, 2000) at IV-4 though IV-7 and Table IV-2; *see also Second Five-Year Reviews*, Confidential Report, INV-DD-107 (July 17, 2006) at IV-9.

<sup>120</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 10-11; *Third Five-Year Reviews*, USITC Pub. 4280 at 11. Domestic Interested Parties state that subject producers in both Korea and Taiwan produce out-of-scope WSS pipe products to numerous standards enabling these producers to easily shift production to subject merchandise in the event of revocation. Response at 20-21.

<sup>121</sup> CR/PR at Table I-11. GTA data show that Taiwan and Korea are two of the largest exporters of WSS pipe during the period of review. *Id.* GTA data on the subject countries’ global exports are classifiable in HS 7306.40, a broader commodity category than subject A-312 WSS pipe and thus may be overinclusive. *See* CR/PR at Tables I-9 to I-11, and notes.

<sup>122</sup> Taiwan was the second and Korea was the fifth largest exporter of WSS pipe globally over the POR. CR/PR at Table I-11.

<sup>123</sup> CR/PR at Tables I-9 and I-10.

throughout the period of review. Indeed, subject imports were present in the U.S. market in each year of the period of review despite the antidumping duty orders.<sup>124</sup> Moreover, there are antidumping duty measures on WSSP from Korea in Turkey and on WSSP from Taiwan in Brazil, as well as ongoing antidumping investigations in Thailand covering WSSP from both subject countries.<sup>125</sup>

Accordingly, based on the demonstrated ability of subject producers to increase imports into the U.S. market rapidly, their substantial production capacity and excess capacity, their export orientation, the attractiveness of the U.S. market, and the barriers in third country markets, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant if the order were revoked.

#### **D. Likely Price Effects**

***The Original Investigations and Prior Reviews.*** In the original investigations, the Commission found that the domestic like product and subject imports were substitutable and that price was an important factor in purchasing decisions.<sup>126</sup> Prices for both domestically produced product and subject imports declined over the POI.<sup>127</sup> The Commission observed that subject import prices were low and declining, and that subject imports from Korea undersold the domestic product in 34 of 36 price comparisons, while subject imports from Taiwan undersold the domestic product in 34 of 40 price comparisons.<sup>128</sup> The Commission also found that domestic producers lost sales and/or lowered prices in order to compete with subject imports.<sup>129</sup> Given these considerations, the Commission found that significant volumes of underpriced subject imports from Korea and Taiwan had significant price-suppressing and price-depressing effects on prices for domestically produced WSSP.<sup>130</sup>

In the prior reviews, the Commission observed that cumulated subject imports would likely be priced aggressively to gain additional market share in the absence of the orders, especially given the likely significant volume of cumulated subject imports, the high degree of substitutability between subject imports from Korea and Taiwan and the domestic like product, the importance of price in purchasing decisions, the slow growth in U.S. demand, and significant underselling by subject imports in both the original POI and the first and second reviews.<sup>131</sup> The Commission found that, as a result of likely significant underselling by cumulated subject imports, the domestic industry likely would have to cut prices for the

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<sup>124</sup> CR/PR at Table I-7.

<sup>125</sup> CR/PR at Table I-11.

<sup>126</sup> *Original Determinations*, USITC Pub. 2585 at 22, 25-26.

<sup>127</sup> *Original Determinations*, USITC Pub. 2585 at 24-25.

<sup>128</sup> *Original Determinations*, USITC Pub. 2585 at 24.

<sup>129</sup> *Original Determinations*, USITC Pub. 2585 at 25.

<sup>130</sup> *Original Determinations*, USITC Pub. 2585 at 24-25.

<sup>131</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 16-17; *Second Five-Year Reviews*, USITC Pub. 3877 at 19-20; *Third Five-Year Reviews*, USITC Pub. 4280 at 19-20.

domestic like product or lose sales.<sup>132</sup> Given these considerations and the price-sensitive nature of the market for WSSP, the Commission found that cumulated subject imports likely would have significant price-depressing or price-suppressing effects on prices for the domestic like product.<sup>133</sup> Accordingly, the Commission concluded that, if the orders were revoked, the likely significant volume of cumulated subject imports at prices that would likely undersell the domestic like product would likely have significant adverse price effects on the domestic industry.<sup>134</sup>

**The Current Reviews.** As discussed above, we continue to find that subject imports from Korea and Taiwan are substitutable for each other and for the domestic like product and that price is an important factor in purchasing decisions. Due to the expedited nature of these reviews, the record does not contain any direct price comparison data. Based on information from the original investigations and prior reviews, we find that if the orders under review were revoked, likely significant volumes of cumulated subject imports would likely significantly undersell the domestic like product to gain market share as they did in the original investigations. Because price is important to purchasing decisions, the presence of significant quantities of cumulated subject imports that would likely undersell the domestic like product would force the domestic industry either to lower prices or lose sales. In light of these considerations, we conclude that absent the disciplining effects of the antidumping duty orders, cumulated subject imports of certain WSSP would likely have significant depressing or suppressing effects on prices for the domestic like product.

## E. Likely Impact

**The Original Investigations and Prior Reviews.** In the original investigations, the Commission found that cumulated subject imports had a significant adverse impact on the domestic industry.<sup>135</sup> While acknowledging that the domestic industry's production and capacity increased slightly over the POI, the Commission observed that increases in the domestic industry's output had not kept pace with the increase in apparent U.S. consumption during the period.<sup>136</sup> Further, the Commission emphasized that most of the domestic industry's employment and financial performance indicia declined overall during the POI, especially operating income and net sales.<sup>137</sup>

In the first reviews, the Commission found that revocation of the orders would result in a significant volume of low-priced subject imports that would likely have a significant adverse

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<sup>132</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 16-17; *Second Five-Year Reviews*, USITC Pub. 3877 at 19-20; *Third Five-Year Reviews*, USITC Pub. 4280 at 20.

<sup>133</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 17; *Second Five-Year Reviews*, USITC Pub. 3877 at 20; *Third Five-Year Reviews*, USITC Pub. 4280 at 20.

<sup>134</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 17; *Second Five-Year Reviews*, USITC Pub. 3877 at 20; *Third Five-Year Reviews*, USITC Pub. 4280 at 20.

<sup>135</sup> *Original Determinations*, USITC Pub. 2585 at 18-21.

<sup>136</sup> *Original Determinations*, USITC Pub. 2585 at 19.

<sup>137</sup> *Original Determinations*, USITC Pub. 2585 at 20-21.

impact on the domestic industry.<sup>138</sup> The Commission found that the domestic industry was vulnerable to the continuation or recurrence of material injury due to low and declining operating income during the POR and declining production, capacity utilization, shipments, and employment.<sup>139</sup> Emphasizing that the domestic industry was vulnerable and that demand was likely to be sluggish, the Commission found that resumption of significant volumes of low-priced subject imports would likely result in continuation or recurrence of material injury to the domestic industry in the event of revocation of the orders.<sup>140</sup>

In the second reviews, the Commission found that the domestic industry was vulnerable to the continuation or recurrence of material injury, as record evidence showed that virtually all domestic industry performance indicia declined during the POR.<sup>141</sup> The Commission concluded that the likely aggressive pricing of the likely increased volumes of subject imports would compel the domestic industry either to cut prices for the domestic like product or lose sales.<sup>142</sup> Under either scenario, the Commission found, the industry's revenues and operating performance would decline significantly and, thus, revocation of the orders would likely have a significant adverse impact on the domestic industry.<sup>143</sup>

In the expedited third reviews, the Commission found that record data were insufficient to determine whether the domestic industry was vulnerable to the continuation or recurrence of material injury.<sup>144</sup> Nonetheless, the Commission found that the likely significant adverse impact on the domestic industry's production, sales, and revenue from likely increases in low-priced subject imports would adversely impact the domestic industry's profitability, employment levels, ability to raise capital, and capital expenditures.<sup>145</sup> As such, the Commission concluded that revocation of the orders would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>146</sup>

**The Current Reviews.** Because these are expedited reviews, we have only limited information with respect to the domestic industry's financial performance.<sup>147</sup> This limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the antidumping duty orders.

In 2015, the domestic industry's reported capacity for certain WSSP was 58,242 short tons, its production was 24,352 short tons, its rate of capacity utilization was 41.8 percent, and its total U.S. shipments were 23,690 short tons.<sup>148</sup> In that year, the domestic industry had net

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<sup>138</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 17-18.

<sup>139</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 17-18.

<sup>140</sup> *First Five-Year Reviews*, USITC Pub. 3351 at 18.

<sup>141</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 20-21.

<sup>142</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 21.

<sup>143</sup> *Second Five-Year Reviews*, USITC Pub. 3877 at 21.

<sup>144</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 22.

<sup>145</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 22.

<sup>146</sup> *Third Five-Year Reviews*, USITC Pub. 4280 at 22.

<sup>147</sup> CR/PR at Table I-3.

<sup>148</sup> CR/PR at Table I-3.

sales of \$90.3 million, reported an operating loss of \$13.4 million, and its ratio of operating income to net sales was negative 15.1 percent.<sup>149</sup>

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

We also have considered the role of factors other than subject imports, including the presence on nonsubject imports, so as not to attribute injury from other factors to the subject imports. Although nonsubject imports' market share was higher in 2015 (at \*\*\* percent) than in 2010 (at \*\*\* percent), subject imports' market share also increased from 2010 to 2015.<sup>150</sup> Given the substitutability of certain WSSP from different sources and the increase in cumulated subject imports' market share since the last five-year review despite the discipline of the orders, any increase in cumulated subject import volume and market penetration is likely to come at least in part at the expense of the domestic industry. Moreover, there is no indication or argument on the record that the presence of nonsubject imports would prevent cumulated subject imports from re-entering the U.S. market in significant quantities upon revocation of the orders. In light of these considerations, we find that the effects we have attributed to the subject imports are distinguishable from any effects likely from nonsubject imports in the event of revocation.

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

## **V. Conclusion**

For the foregoing reasons, we determine that that revocation of the antidumping duty orders on certain WSSP from Korea and Taiwan would be likely to lead to a continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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<sup>149</sup> CR/PR at Table I-3.

<sup>150</sup> CR/PR at Table I-6. Cumulated subject imports' market share was \*\*\* percent in 2010 and \*\*\* percent in 2015. *Id.*

# INFORMATION OBTAINED IN THESE REVIEWS

## BACKGROUND

On November 1, 2016, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of antidumping duty orders on certain welded stainless steel (“WSS”) pipe from Korea and Taiwan would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
November 1, 2016	Notice of initiation and institution by Commerce and Commission
March 7, 2017	Commerce results of its expedited review
February 6, 2017	Commission vote on adequacy
May 12, 2017	Commission determination and views to Commerce

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

<sup>2</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan; Institution of a Five-Year Review*, 81 FR 75845, November 1, 2016. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 81 FR 75808, November 1, 2016. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

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

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. No firm responded to the purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

## RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

### Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Bristol Metals, LLC (“Bristol Metals”), Felker Brothers Corporation (“Felker Brothers”), Marcegaglia USA Inc., (“Marcegaglia”), and Outokumpu Stainless Pipe, Inc., (“Outokumpu”), domestic producers of WSS pipe (collectively referred to herein as “domestic interested parties”)

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

**Table I-1**

**WSS pipe: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	4	***% <sup>1</sup>
Respondent:		
U.S. importer	0	0
Foreign producer/exporter	0	0

<sup>1</sup> The coverage figure presented, as provided by the domestic interested parties in their response, represents the firms’ aggregate share of total U.S. production of WSS pipe during 2015.

### Party comments on adequacy

The Commission did not receive comments on adequacy from any party in these reviews.

## RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission’s last five-year review, the following developments have occurred in the WSS pipe industry.

- Synalloy Corp., through its subsidiary Bristol Metals, LLC, signed a definitive agreement to acquire the stainless steel pipe and tube operations of Marcegaglia USA. The parties expect the transaction to close on or by March 1, 2017.<sup>5</sup>

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<sup>5</sup> Synalloy Corp., press release, “Synalloy Corporation Signs Definitive Agreement to Acquire the Stainless Steel Pipe and Tube Operations of Marcegaglia USA,” December 13, 2016.



## THE PRODUCT

### Commerce's scope

Commerce has defined the subject merchandise as:

Welded austenitic stainless steel pipe that meets the standards and specifications set forth by the American Society for Testing and Materials (ASTM) for the welded form of chromium-nickel pipe designated ASTM A-312. The merchandise covered by the scope of the orders also includes austenitic welded stainless steel pipes made according to the standards of other nations which are comparable to ASTM A-312.

Welded ASTM A-312 stainless steel pipe is produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. Welded ASTM A-312 stainless steel pipe is a commodity product generally used as a conduit to transmit liquids or gases. Major applications for to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines.<sup>6</sup>

### Description and uses<sup>7</sup>

The terms "pipe," "tube," and "tubing" designate hollow forms used for the conveyance of gases, liquids, and solids, and for a diversity of mechanical and structural purposes. The subject imports and the domestic like product, as defined in the previous review, include only pipe. "Pipe" is of circular crosssection, produced in relatively few standard sizes, designated by nominal diameter and wall thickness,<sup>8</sup> and is designed for use with standard pipe fittings. By

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<sup>6</sup> Commerce states that imports of Welded ASTM A-312 stainless steel pipe are currently classifiable under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085.2 Although these subheadings include both pipes and tubes, the scope of the antidumping duty orders is limited to welded austenitic stainless steel pipes. The HTSUS subheadings are provided for convenience and customs purposes. However, the written description of the scope of the orders is dispositive. *Welded ASTM A-312 Stainless Steel Pipe from South Korea and Taiwan: Continuation of Antidumping Duty Orders*, 76 FR 78614, December 19, 2011.

<sup>7</sup> Unless otherwise noted, this information is based on *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011, p. I-11 through p. I-12.

<sup>8</sup> The size of a pipe is defined by the nominal pipe size ("NPS"), a dimensionless designator that has been substituted for such traditional terms as "nominal diameter." Nominal sizes of 1/8 to 12 are based on a standardized inside diameter that was originally selected so that a pipe having a wall thickness that was typical of the period would have an inside diameter in inches approximately equal to the nominal  
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contrast, “tube” and “tubing” may be of any cross-sectional shape, including circular, and generally are produced to more exacting specifications than pipe in terms of their dimensions, finish, and mechanical properties. Tube sizes are defined by outside diameter, which may be the same as that of a standard-size pipe, and by wall thickness. Generally, pipe produced in various grades (types) of stainless steel are distinguished by end uses as defined by the American Iron and Steel Institute (“AISI”).<sup>9</sup> According to the AISI, stainless steel is a general class of steels that contains more than 10 percent of chromium (Cr) by weight. Chromium gives stainless steel its excellent resistance to corrosion and good strength at high temperatures and pressure. For these reasons, it is used in corrosive environments, under high temperature and pressure conditions, or when cleanliness and ease of maintenance are strictly required. Most stainless steel tubular products are produced in either of two common grades (defined by chemical composition and physical requirements) of stainless steel, namely AISI types 304/304L or 316/316L – both austenitic chromium-nickel alloy (grade 300-series) stainless steels.<sup>10</sup>

WSS pipe<sup>11</sup> is produced to conform to standard specification A-312 published by ASTM. A-312 is the most common ASTM specification for stainless steel pipe. Welded A-312 pipe is designed for high-temperature, high pressure, general corrosive-resistance service, and thus must be annealed (heat treated) after welding. Major uses for welded A-312 pipe include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines such as those in breweries, paper mills, and general food-processing facilities. A-778 pipe is similar to A-312, but does not require post-weld annealing. A-778 pipe is most often used in the pulp and paper industry and for wastewater applications, owing to its ability to withstand corrosive contact, albeit at somewhat lower levels than A-312 pipe. A-778 pipe is also used in corn fermentation systems to produce ethanol and low-pressure fluid transfer systems.

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size. For pipe in nominal sizes of 14 and larger, the outside diameter is equal in inches to the nominal size— i.e., a pipe of NPS 14 has an outside diameter of 14 inches.

<sup>9</sup> Other important types of pipe and tube which are defined by the AISI include standard pipe, line pipe, structural pipe and tubing, mechanical tubing, and oil country tubular goods. All are designed for specific applications and must meet appropriate engineering standards for those end uses.

<sup>10</sup> Austenitic stainless steels contain a maximum of 0.15 percent carbon, and a minimum of 16 percent chromium, together with varying amounts of nickel and manganese. Other alloy series include 400 series (ferritic and martensitic chromium alloys), 500 series (heat-resisting chromium alloys), and 600 series (martensitic precipitation hardening alloys).

<sup>11</sup> WSS pipe includes A-312.

## Manufacturing process<sup>12</sup>

There are two stages in the production of welded A-312 and A-778 pipe: forming the tubular shape and welding the product. Two common methods are used to form the tubular shape, namely, the continuous-mill process and the press-brake process.

The continuous-mill process, which is the principal method of producing WSS, begins with coils of sheet, strip, or plate. Coiled steel, of a width essentially equivalent to the outside diameter of the pipe to be produced, is set up in an uncoiler and fed into a series of paired forming rolls. As it progresses through the rolls, its cross-sectional profile is formed into a tubular shape with the butted edges ready for welding as described below.

The second method of manufacturing WSS pipe is the press-brake process, a batch process in which a press gradually bends cut-to-length sheet into a cylindrical shape with the butted edges ready for welding as described below.<sup>13</sup> The starting sheet is of a width essentially equivalent to the outside diameter and a length equal to the length of the piece of pipe to be produced. The press-brake process is labor-intensive, and is used primarily for the production of pipes in larger diameters.

In the welding stage, the butt edges are welded together by an automatic welding machine using either the tungsten inert gas (“TIG”) welding process or the laser welding process. Both methods allow welding without filler material, complete fusion of butted edges, and shielding of the weld area with inert gas to prevent oxidation. In the TIG welding process, welding heat is provided by an electric arc between a tungsten electrode and the pipe edges. In the laser welding process, a laser beam is directed to the weld butt joint, forming a deep-penetration fusion weld. The laser process is capable of a higher speed of operation than is the TIG process.

For continuous welded tubular products such as A-312 pipe, the pipe continues after welding through an in-line annealing furnace,<sup>14</sup> then through straightening and, finally, cutting to length. Batch welded pipe must be annealed in a separate operation, and subsequently pickled in acid.

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<sup>12</sup> Unless otherwise noted, this information is based on *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011, p. I-12.

<sup>13</sup> This is called a batch process (rather than “continuous”) because each individual length of pipe is bent and welded individually.

<sup>14</sup> In-line annealing normally is performed in a nonoxidizing atmosphere, a process known as “bright annealing.” Product that is annealed by other than bright annealing must be pickled in acid to remove surface oxides and produce a “bright” finish.

## U.S. tariff treatment

WSS pipe is currently imported under HTS statistical reporting numbers 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085. WSS pipe imported from Korea and Taiwan enters the U.S. market at a column 1-general duty rate of “free.”

### The definition of the domestic like product and domestic industry

The Commission's determination regarding the appropriate domestic products that are "like" the subject imported products generally is based on a number of factors including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities and production employees; (5) customer and producer perceptions; and where appropriate; (6) price.

In its original investigations, the Commission considered whether the like product should be identical to the articles subject to investigation, i.e., A-312 pipe only, as argued by the petitioners, or should include all welded stainless steel pipe and tube, as argued by the respondents. The Commission concluded that mechanical and grade 409 tubes were not like A-312 pipe, but that the domestic like product should consist of all WSS pipe and tube other than mechanical and grade 409 tube.<sup>15</sup>

In the first five-year reviews, the domestic interested parties belatedly argued that only A-312 and A-778 pipe should be included within the definition of the domestic like product, while Korean respondent interested parties urged the Commission not to depart from the domestic like product definition in the original investigations. The Commission found no significant changes in the products at issue or in the factors it considers in its determinations, nor any other appropriate circumstance warranting revisiting its original like product determination. Therefore, the Commission once again defined the domestic like product as all WSS pipe and tube other than mechanical and grade 409 tube.<sup>16</sup>

In the second five-year reviews, domestic producers indicated that the definition of the domestic like product should be narrowed to include only welded A-312 and A-778 pipe, and exclude all other WSS pipe and tube.<sup>17</sup> The Commission concluded that the evidence demonstrated that welded A-312 pipe is similar to A-778 pipe. Further, the Commission found that both the A-312 and A-778 pipes have differences in physical characteristics and uses, manufacturing facilities, and customer and producer perceptions, as well as limited interchangeability and some differences in channels of distribution and price, from other WSS

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<sup>15</sup> *Certain Welded Stainless Steel Pipes and Tubes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-540 and 541 (Final)*, USITC Publication 2585, December 1992, pp. 5-17.

<sup>16</sup> *Certain Welded Stainless Steel Pipes and Tubes from Korea and Taiwan, Invs. Nos. 731-TA-540 and 541 (Review)*, USITC Publication 3351, September 2000, pp. 4-5.

<sup>17</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Second Review)*, USITC Publication 3877, August 2006, p. 5.

pipe and tube. Thus, the Commission found that a change from the original definition of the domestic like product was appropriate, and defined the domestic like product as A-312 and A-778 pipe.<sup>18 19</sup>

In the third five-year reviews, the domestic producers stated that they agreed with the definition of the domestic like product in the second five-year reviews.<sup>20</sup> The Commission again defined the domestic like product as all U.S. producers of welded ASTM A-312 and A-778 stainless steel pipes, given that the record in the third five-year reviews did not indicate any significant changes in the products at issues or any other appropriate circumstances warranting revisiting the Commission's domestic like product determination from the second reviews.<sup>21</sup>

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry. According to their response to the notice of institution, the domestic producers agree with the Commission's definitions.<sup>22</sup>

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<sup>18</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Second Review)*, USITC Publication 3877, August 2006, p. 7.

<sup>19</sup> In its 2008-09 investigations of WSS pressure pipe (i.e., A-312 pipe and A-778 pipe) from China, the Commission declined to expand the domestic like product to include WSS pressure tube. The Commission found pressure pipe and pressure tube to differ significantly with respect to physical characteristics (specifications, dimensions, tolerances, finish, mechanical properties), end uses, channels of distribution, the producers and lines on which they are produced, and average unit values. Consistent with Commerce's scope in those proceedings, the Commission defined one domestic like product as coextensive with the scope and consisting of small-diameter WSS pressure pipe with an outside diameter not greater than 14 inches. It noted that for small-diameter and large-diameter (greater than 14 inches in outside diameter) WSS pressure pipe, differences in manufacturing processes led to different wall thicknesses and outside diameters, affected tolerances and seams, and limited interchangeability between the products. It observed limited overlap between the products in terms of manufacturers, manufacturing equipment, manufacturing time, and employees. The Commission further indicated that small-diameter pipe was generally sold to distributors and inventoried, whereas large-diameter pipe was generally sold directly for different end uses to specific end users and/or for specific projects and sometimes required specialized testing. Prices and pricing practices also differed between small- and large-diameter pipe products. *Welded Stainless Steel Pressure Pipe from China, Investigation Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009, pp. 6-10.

<sup>20</sup> *Domestic Producers' Response to Notice of Institution*, August 1, 2011, p. 14.

<sup>21</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan (Third Review): Inv. Nos. 731-TA-540 and 541*, USITC Publication 4280, December 2011.

<sup>22</sup> *Domestic Interested Parties' Response to the Notice of Institution*, December 1, 2016, p. 26.

## THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEWS

### The original investigation

On November 18, 1991, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of dumped imports of welded A-312 pipe from Korea and Taiwan.<sup>23</sup> On November 12, 1992, Commerce made final affirmative dumping determinations. On December 18, 1992, the Commission notified Commerce of its final affirmative determinations of material injury, and on December 30, 1992, Commerce issued antidumping duty orders on imports of welded A-312 pipe from Korea and Taiwan. Commerce's amended antidumping duty margins are as follows:

Firm	Margin (percent)
<b>Korea</b>	
Pusan Steel Pipe (now SeAH)	2.67
Sammi Metal Products Co.	7.92
All others	7.00
<b>Taiwan</b>	
Chang Tieh	0.00 <sup>1</sup>
Jaung Yuann Enterprise	31.90
Ta Chen	3.27
Yeun Chyang Industrial	31.90
All others	19.84
<sup>1</sup> Chang Tieh was excluded from the order. Note.—In January 1995, Pusan acquired the productive assets of Sammi and subsequently changed its name to SeAH Steel Corp.	

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<sup>23</sup> The petition was filed on behalf of Avesta Sandvik Tube, Inc., Schaumburg, IL; Bristol Metals ("Bristol"), Bristol, TN; Damascus Tubular Products, Greenville, PA; Trent Tube Division, Crucible Materials Corp. ("Trent"), East Troy, WI; and the United Steelworkers of America.

### **The first five-year review**

On July 1, 1999, the Commission instituted the first five-year reviews of the antidumping duty orders,<sup>24</sup> and on October 1, 1999, determined that it would conduct full reviews.<sup>25</sup> On February 4, 2000, Commerce published its determination that revocation of the subject antidumping duty orders on Korea and Taiwan would be likely to lead to continuation or recurrence of dumping.<sup>26</sup> On September 22, 2000, the Commission determined that revocation of the subject antidumping duty orders on Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. Subsequently, Commerce issued a continuation of the subject antidumping duty orders.<sup>27</sup>

### **The second five-year review**

On August 29, 2005, the Commission instituted the second five-year reviews of the subject antidumping duty orders.<sup>28</sup> On January 3, 2006, Commerce published its determination that revocation of the subject antidumping duty orders on Korea and Taiwan would be likely lead to continuation or recurrence of dumping.<sup>29</sup> On August 16, 2006, following full reviews, the Commission determined that revocation of the subject antidumping duty orders on Korea and Taiwan would be likely to lead to continuation or recurrence of material injury within a

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<sup>24</sup> *Certain Stainless Steel Pipe From Korea, Sweden, and Taiwan*, 64 FR 35694, July 1, 1999. In addition to the instant reviews, the Commission instituted a review on welded stainless steel hollow products from Sweden (inv. No. 731-TA-354 (Review)). However, following notification from Commerce that it would revoke the order on Swedish pipes because of lack of domestic interest, the Commission terminated its review effective January 1, 2000. *July 1999 Sunset Reviews: Final Results and Revocation*, 64 FR 47763, September 1, 1999.

<sup>25</sup> *Certain Welded Stainless Steel Pipes From Korea and Taiwan*, 64 FR 55961, October 15, 1999. The Commission determined that the domestic interested party group response to its notice of institution were adequate with respect to both reviews, that the respondent interested party group response was adequate with respect to Korea, and other circumstances warranted conducting a full review with respect to Taiwan. *Ibid.*

<sup>26</sup> *Final Results of Expedited Sunset Reviews: Certain Welded Stainless Steel Pipes From the Republic of Korea and Taiwan*, 65 FR 5607, February 4, 2000.

<sup>27</sup> *Continuation of Antidumping Duty Orders: Certain Welded Stainless Steel Pipe from South Korea and Taiwan*, 65 FR 61143, October 16, 2000.

<sup>28</sup> *Certain Stainless Steel Pipe From Korea and Taiwan (Second Review)*, 70 FR 52124, September 1, 2005.

<sup>29</sup> *Welded ASTM A-312 Stainless Steel Pipe from South Korea and Taiwan: Notice of Final Results of Expedited ("Sunset") Reviews of Antidumping Duty Orders*, 71 FR 96, January 3, 2006.

reasonably foreseeable time.<sup>30</sup> On September 5, 2006, Commerce issued a continuation of the subject antidumping duty orders on Korea and Taiwan.<sup>31</sup>

### **The third five-year reviews**

On July 1, 2011, the Commission instituted the third five-year reviews of the subject antidumping orders.<sup>32</sup> On November 2, 2011, Commerce published its determination that revocation of the subject antidumping duty orders on Korea and Taiwan would be likely to lead to continuation of dumping.<sup>33</sup> On December 1, 2011, following expedited reviews, the Commission determined that revocation of the subject antidumping duty orders on Korea and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.<sup>34</sup> Effective December 19, 2011, Commerce issued a continuation of the subject antidumping duty orders on Korea and Taiwan.<sup>35</sup>

### **PRIOR RELATED INVESTIGATIONS**

The Commission has conducted several previous import relief investigations and subsequent reviews on A-312 pipe and other forms of WSS pipe and tube.<sup>36</sup> Table I-2 presents data on previous and related antidumping and countervailing duty investigations.

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<sup>30</sup> *Certain Welded Stainless Steel Pipes From Korea and Taiwan*, 71 FR 48941, August 22, 2006.

<sup>31</sup> *Continuation of Antidumping Duty Orders: Certain Welded Stainless Steel Pipe from South Korea and Taiwan*, 71 FR 53412, September 11, 2006.

<sup>32</sup> *Certain Welded Stainless Steel Pipe From Korea and Taiwan; Institution of a Five-Year Review Concerning the Antidumping Duty Orders on Certain Welded Stainless Steel Pipe From Korea and Taiwan*, 76 FR 38688, July 1, 2011.

<sup>33</sup> *Welded ASTM A-312 Stainless Steel Pipe From South Korea and Taiwan: Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders*, 76 FR 67673, November 2, 2011.

<sup>34</sup> *Certain Welded Stainless Steel Pipe From Korea and Taiwan; Determination*, 76 FR 76437, December 7, 2011.

<sup>35</sup> *Welded ASTM A-312 Stainless Steel Pipe From South Korea and Taiwan: Continuation of Antidumping Duty Orders*, 76 FR 78614, December 19, 2011.

<sup>36</sup> The product scope of the orders on A 312 pipe from Korea and Taiwan is narrower than that of those on welded stainless steel pressure pipe because it does not include A 778 pipe. It is broader in that it includes pipe greater than 14 inches in outside diameter ("OD"). Although the A 312 specification includes seamless pipe, the product scope of the orders on A 312 pipe from Korea and Taiwan does not include seamless pipe.



**Table I-2**

**WSS pipe: Previous and related Title VII investigations**

Product	Inv. No.	Year of petition	Country	Original determination	Current status
Welded stainless steel pipe and tube	AA1921-180	1978	Japan	Negative	( <sup>1</sup> )
Welded stainless steel pipe and tube excluding grade 409 pipe	701-TA-281	1986	Sweden	Negative	( <sup>1</sup> )
	731-TA-354	1986	Sweden	Negative	( <sup>1</sup> )
Welded stainless steel pressure pipe	701-TA-454 731-TA-1144	2008	China	Affirmative	Order in place <sup>2</sup>
Welded stainless steel pressure pipe	731-TA-1210	2013	Malaysia	Affirmative	Order in place <sup>3</sup>
	731-TA-1211	2013	Thailand	Affirmative	Order in place <sup>3</sup>
	731-TA-1212	2013	Vietnam	Affirmative	Order in place <sup>3</sup>
Welded stainless steel pressure pipe	701-TA-548	2015	India	Affirmative	Order in place <sup>4</sup>
Welded stainless steel pressure pipe	731-TA-1298	2015	India	Affirmative	Order in place <sup>4</sup>

<sup>1</sup> Not applicable.

<sup>2</sup> On February 3, 2014, the Commission instituted the first five-year reviews of the antidumping and countervailing duty orders, and on June 24, 2014, the Commission made affirmative determinations. The second five-year reviews of these orders are expected to begin on June 3, 2019.

<sup>3</sup> The first five-year reviews of these orders are expected to begin on June 3, 2019.

<sup>4</sup> The first five-year reviews of these orders are expected to begin on October 1, 2021.

Source: *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011; *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4478, July 2014; *Welded Stainless Steel Pressure Pipe from Malaysia, Thailand, and Vietnam, Inv. Nos. 731-TA-1210-1212 (Final)*, USITC Publication 4477, July 2014 and *Welded Stainless Steel Pressure Pipe from India, Inv. Nos. 701-TA-548 and 731-TA-1298 (Final)*, USITC Publication 4644, November 2016 (“2016 India investigations”).

Following receipt of a request from the Office of the United States Trade Representative (“USTR”) on June 22, 2001, the Commission instituted investigation No. TA-201-73, Steel, under section 202 of the Trade Act of 1974<sup>37</sup> to determine whether certain steel products, including stainless steel welded tubular products,<sup>38</sup> were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.<sup>39</sup> On July 26, 2001, the Commission received a resolution adopted by the U.S. Senate Committee on Finance (“Senate Finance Committee” or “Committee”) requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.<sup>40</sup>

<sup>37</sup> 19 U.S.C. § 2252.

<sup>38</sup> Stainless steel welded tubular products were found to be a single ‘like or directly competitive’ product. *Steel, Inv. No. TA-201-73, Volume I: Determinations and Views of Commissioners*, USITC Publication 3479, December 2001, p. 16.

<sup>39</sup> *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267, July 3, 2001.

<sup>40</sup> 19 U.S.C. § 2251.

Consistent with the Senate Finance Committee’s resolution, the Commission consolidated the investigation requested by the Committee with the Commission’s previously instituted investigation No. TA-201-73.<sup>41</sup> On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission made a unanimous negative determination with respect to stainless steel welded tubular products.<sup>42</sup>

## ACTIONS AT COMMERCE

### Administrative reviews

#### Korea

Commerce has completed three administrative reviews of the antidumping duty order on A-312 pipe from Korea, as presented in the following tabulation. In addition, there has been one changed circumstances determination and no duty absorption findings.<sup>43</sup>

Period of review	Date results published and <i>Federal Register</i> citation	Firm-specific margin (percent)
12/01/1997 - 11/30/1998	May 10, 2000 (65 FR 30071)	SeAH Steel Corp. 1.02
12/01/2006 - 11/30/2007	June 27, 2011 (76 FR 37320)	SeAH Steel Corp. 6.01
12/01/2007 - 11/30/2008	May 19, 2010 (75 FR 27987)	SeAH Steel Corp. 2.92
12/01/2013 – 11/30/2014	July 18 2016 (81 FR 46647)	SeAH Steel Corp. 2.58 LS Metal Co., Ltd 31.70
12/01/2014 – 11/30/2015	December 30, 2016 (81 FR 96435)	SeAH Steel Corp. 1.91 <sup>1</sup>

<sup>1</sup> Preliminary result.

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<sup>41</sup> *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158, August 22, 2001.

<sup>42</sup> *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

<sup>43</sup> In the changed circumstances review, Commerce determined that SeAH Steel Corp. was the successor to Pusan Steel Pipe (which in turn had acquired the production assets of Sammi Metal Products Co.). *Certain Welded Stainless Steel Pipe From Korea; Final Results of Antidumping Duty Changed Circumstances Review*, 63 FR 16979, April 7, 1998. There were no scope rulings, company revocations, critical circumstances reviews, or anti-circumvention findings.

## Taiwan

Commerce has completed five administrative reviews of the antidumping duty order on A-312 pipe from Taiwan, as presented in the following tabulation. In addition, there has been one changed circumstances determination and no duty absorption findings.<sup>44</sup>

Period of review	Date results published and Federal Register citation	Firm-specific margin (percent)
06/22/1992 - 11/30/1993		
12/01/1993 - 11/30/1994	June 22, 1999 (64 FR 33243)	Ta Chen 31.90
12/01/1994 - 11/30/1995	June 13, 2003 (68 FR 35384), amended	Ta Chen 2.60
12/01/1995 - 11/30/1996	July 16, 1998 (63 FR 38382)	Ta Chen 0.10 <sup>1</sup>
12/01/1997 - 11/30/1998	June 26, 2000 (65 FR 39367)	Ta Chen 0.47 <sup>1 2</sup>
<sup>1</sup> De minimis rate of zero.		
<sup>2</sup> Because Ta Chen met the requirement of three consecutive years of zero or de minimis margins for the subject merchandise, Commerce revoked the order with respect to Ta Chen effective June 26, 2000, for all entities on or after December 1, 1998.		

### Current five-year review

Commerce is conducting expedited reviews with respect to the Korea and Taiwan reviews and intends to issue the final results of these reviews based on the facts available not later than March 1, 2017.<sup>45</sup>

## THE INDUSTRY IN THE UNITED STATES

### U.S. producers

In the original investigations, petitioners asserted that there were 31 known producers of WSS pipe and tube (broadly defined) in the United States.<sup>46</sup> Sixteen firms accounting for \*\*\* percent of estimated 1991 total pipe and tube production responded to the Commission's

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<sup>44</sup> In the changed circumstances review, Commerce determined that Chang Mein Industries Co., Ltd. is the successor-in-interest to Chang Tieh and is therefore entitled to Chang Tieh's exclusion from the antidumping duty order. *Certain Welded Stainless Steel Pipe From Taiwan; Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 63 FR 34147, June 23, 1998. There were no scope rulings, company revocations, critical circumstances reviews, or anti-circumvention findings.

<sup>45</sup> Jim Doyle, Director, Office V, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, ITA, letter to Catherine DeFilippo, December 20, 2016.

<sup>46</sup> *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-540-541 (Final), USITC Publication 2585, December 1992, p. I-15.

questionnaire.<sup>47</sup> During the period examined in the first reviews of the subject orders on certain WSS pipe from Korea and Taiwan, the domestic industry producing WSS pipes and pressure tubes consisted of 12 companies operating production facilities in 14 locations. In \*\*\* in 1999, the U.S. producers were Bristol Metals, Marcegaglia; Felker Brothers; Avesta Sheffield Pipe Co.; Davis Pipe, Inc. (Terre Haute, Indiana); Trent; Swepco; International Tubular Products Inc. (Claremore, Oklahoma); Alaskan; LTV Copperweld (Elizabethtown, Kentucky); Valmet, Inc. (Morristown, Tennessee); and Robert Mitchell Co., Inc. (Portland, Maine).<sup>48</sup> During the second reviews, the number of active producers had fallen to 11 in 2005 (not all of which produced A-312 and A-778 pipe).<sup>49</sup> In the second reviews, eight U.S. producers of A-312 and A-778 pipe were identified.<sup>50</sup>

In its response to the Commission's notice of institution of these reviews, domestic producers referenced the U.S. producers of welded stainless steel pressure pipe identified by the Commission in its investigations regarding dumped and subsidized imports from India completed in November 2016.<sup>51</sup> The domestic like product in those investigations was narrower than that in this review because the former is limited to pipe 14 inches OD and below, but domestic producers note that all firms that make larger-diameter WSS pipe subject to these reviews also make pipe in the smaller diameter size range.

#### **Related party issues**

There are no known related party issues.

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

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year review.<sup>52</sup> Table I-3 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations and prior five-year reviews.

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<sup>47</sup> *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-540-541 (Final), confidential staff report, pp. I-15-18. \*\*\*.

<sup>48</sup> Confidential first review report, table I-4, p. I-20.

<sup>49</sup> Two of the producers active in 2000 (Davis and ITP) no longer exist; one other producer active in 2000 ceased producing domestically (Mitchell); and several other plants changed ownership.

<sup>50</sup> This includes Alaskan, Bristol, Felker, Marcegaglia, Outokumpu, Rath Gibson, Swepco, and Webco. *Certain Welded Stainless Steel Pipe from Korea and Taiwan (Third Review)*, USITC Publication 4280, December 2011, table I-2.

<sup>51</sup> These firms include Alaskan, Bristol Metals, Felker Brothers, Marcegaglia, Outokumpu, Rath Gibson, and Webco. *Domestic Interested Parties' Response to the Notice of Institution*, December 1, 2016, exh. 3.

<sup>52</sup> Individual company trade and financial data are presented in app. B.

**Table I-3****WSS pipe: Trade and financial data submitted by U.S. producers, 1991, 1999, 2005, 2010, and 2015**

Item	1991	1999	2005	2010	2015
Capacity (short tons)	63,432	***	77,877	71,700	58,242
Production (short tons)	39,016	***	35,579	39,008	24,352
Capacity utilization (percent)	61.5	***	45.7	54.4	41.8
Total U.S. shipments:					
Quantity (short tons)	36,263	***	37,006	36,657	23,690
Value (\$1,000)	133,601	***	161,415	172,543	90,305
Unit value (per short ton)	3,684	***	4,362	4,707	3,824
Net sales (\$1,000)	***	***	160,992	179,829	88,899
COGS (\$1,000)	***	***	150,645	179,450	91,700
COGS/net sales	***	***	93.6	99.8	103.2
Gross profit or (loss) (\$1,000)	***	***	10,348	378	(2,801)
SG&A expenses (loss) (\$1,000)	***	***	11,472	14,034	10,613
Operating income/(loss) (\$1,000)	***	***	(1,125)	(13,357)	(13,414)
Operating income (loss)/net sales (percent)	***	***	(0.7)	(7.4)	(15.1)

Source: For the years 2005 and 2010, data are compiled from *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011, table I-4. For the year 1999, data are compiled from table I-4. *Investigation Nos. 731-TA-540 and 541 (Third Review): Certain Stainless Steel Pipe from Korea and Taiwan—Staff Report*, table I-4, October 27, 2011, INV-JJ-109. See app. C. for the year 1991, data are compiled from table C-1, *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)*, USITC Publication 2585, December 1992 and *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)—Staff Report*, Table C-1, December 3, 1992, INV-P-182. For the year 2015, data are compiled using data submitted by domestic interested parties. *Domestic Interested Parties' Response to the Notice of Institution*, December 1, 2016, exh. 1.

**U.S. IMPORTS AND APPARENT CONSUMPTION****U.S. importers**

In their response to the Commission's notice of institution in these reviews, domestic producers referenced the nine U.S. importers of welded stainless steel pressure pipe identified by the Commission in its investigations regarding dumped and subsidized imports from India completed in November 2016.<sup>53</sup> Domestic producers cite the report, which noted that the importers accounted for nearly all imports from Korea and Taiwan, though not all of them necessarily imported from these two countries.

<sup>53</sup> *Domestic Interested Parties' Response to the Notice of Institution*, December 1, 2016, exh. 4.

## U.S. imports

Table I-4 presents the quantity, value, and unit value for subject imports from Korea and Taiwan, nonsubject imports from Taiwan, and imports from all other sources, using official Commerce statistics and proprietary Customs data for the period of 2011-15.

**Table I-4**  
**WSS pipe: U.S. imports, 2011-15**

Item	2011	2012	2013	2014	2015
	<b>Quantity (short tons)</b>				
Korea	5,050	4,740	3,463	14,363	6,854
Taiwan (subject)	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***
Other sources	23,759	23,507	19,398	20,068	19,781
Total imports	44,332	45,954	41,366	58,331	45,964
	<b>Landed, duty-paid value (\$1,000)</b>				
Korea	20,062	16,637	10,960	42,120	20,407
Taiwan (subject)	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***
Other sources	102,300	98,207	71,710	82,730	88,504
Total imports	196,020	183,784	145,823	224,162	170,346
	<b>Unit value (dollars per short ton)</b>				
Korea	3,973	3,510	3,165	2,933	2,977
Taiwan (subject)	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***
Other sources	4,306	4,178	3,697	4,122	4,474
Total imports	4,422	3,999	3,525	3,843	3,706

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

Source: U.S. producers' U.S. shipments -- For the years 2005 and 2010, data are compiled from *Certain Welded Stainless Steel Pipe from Korea and Taiwan (Third Review)*, USITC Publication 4280, December 2011, table I-4. For the year 1999, data are compiled from table I-4. *Investigation Nos. 731-TA-540 and 541 (Third Review): Certain Stainless Steel Pipe from Korea and Taiwan—Staff Report*, table I-4, October 27, 2011, INV-JJ-109. See *app. C* for the year 1991, data are compiled from table C-1, *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)*, USITC Publication 2585, December 1992 and *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)—Staff Report*, Table C-1, December 3, 1992, INV-P-182. For the year 2015, data are compiled using data submitted by domestic interested parties. *Domestic Interested Parties' Response to the Notice of Institution*, July 2, 2014, ex. 1. Imports -- Nonsubject import data for Taiwan are based on U.S. Customs and Border Protection ("Customs") confidential import statistics. Import data for other sources are based on official statistics of Commerce for HTS statistical reporting number 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085.

## Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-6 presents data on U.S. market shares of U.S. apparent consumption.

**Table I-5**

**WSS pipe: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1991, 1999, 2005, 2010, and 2015**

Item	1991	1999	2005	2010	2015
<b>Quantity (short tons)</b>					
U.S. producers' U.S. shipments	36,263	***	37,006	36,657	23,960
U.S. imports from—					
Korea	5,074	***	5,716	4,680	6,854
Taiwan (subject)	9,197	***	***	***	***
Subtotal	14,271	***	***	***	***
Taiwan (nonsubject)	NA	***	***	***	***
Other sources	10,260	***	25,894	18,249	19,781
Total imports	24,531	***	41,456	41,722	45,964
Apparent U.S. consumption	60,794	***	78,462	78,379	69,924
<b>Value (1,000 dollars)</b>					
U.S. producers' U.S. shipments	133,601	***	161,415	172,543	90,305
U.S. imports from—					
Korea	15,172	***	***	14,654	20,407
Taiwan (subject)	29,305	***	***	***	***
Subtotal	44,477	***	***	***	***
Taiwan (nonsubject)	NA	***	***	***	***
Other sources	33,472	***	106,534	70,641	88,504
Total imports	77,949	***	161,771	166,320	170,346
Apparent U.S. consumption	211,550	***	323,186	338,863	260,651

*Source:* U.S. producers' U.S. shipments -- For the years 2005 and 2010, data are compiled from *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011, table I-4. For the year 1999, data are compiled from table I-4. *Investigation Nos. 731-TA-540 and 541 (Third Review): Certain Stainless Steel Pipe from Korea and Taiwan—Staff Report*, table I-4, October 27, 2011, INV-JJ-109. See *app. C* for the year 1991, data are compiled from table C-1, *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)*, USITC Publication 2585, December 1992 and *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)—Staff Report*, Table C-1, December 3, 1992, INV-P-182. For the year 2015, data are compiled using data submitted by domestic interested parties. *Domestic Interested Parties' Response to the Notice of Institution*, July 2, 2014, exh. 1. Imports -- Nonsubject import data for Taiwan are based on U.S. Customs and Border Protection ("Customs") confidential import statistics. Import data for other sources are based on official statistics of Commerce for HTS statistical reporting number 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085.

Table I-6

WSS pipe: Apparent U.S. consumption and U.S. market shares, 1991, 1999, 2005, 2010, and 2015

Item	1991	1999	2005	2010	2015
	<b>Quantity (short tons)</b>				
Apparent U.S. consumption	60,794	***	78,462	78,379	69,924
	<b>Value (1,000 dollars)</b>				
Apparent U.S. consumption	211,550	***	323,186	338,863	260,651
	<b>Share of consumption based on quantity (percent)</b>				
U.S. producer's share	59.6	***	47.2	46.8	34.3
U.S. imports from--					
Korea	8.3	***	7.3	6.0	9.8
Taiwan (subject)	15.1	***	***	***	***
Subtotal	23.5	***	***	***	***
Taiwan (nonsubject)	NA	***	***	***	***
Other sources	16.9	***	33.0	23.3	28.3
Total imports	40.4	***	52.8	53.2	65.7
	<b>Share of consumption based on value (percent)</b>				
U.S. producer's share	63.2	***	49.9	50.9	34.6
U.S. imports from--					
Korea	7.2	***	***	4.3	7.8
Taiwan (subject)	13.9	***	***	***	***
Subtotal	21.0	***	***	***	***
Taiwan (nonsubject)	NA	***	***	***	***
Other sources	15.8	***	33.0	20.8	34.0
Total imports	36.8	***	50.1	49.1	65.4

Source: U.S. producers' U.S. shipments -- For the years 2005 and 2010, data are compiled from *Certain Welded Stainless Steel Pipe from Korea and Taiwan (Third Review)*, USITC Publication 4280, December 2011, table I-4. For the year 1999, data are compiled from table I-4. *Investigation Nos. 731-TA-540 and 541 (Third Review): Certain Stainless Steel Pipe from Korea and Taiwan—Staff Report*, table I-4, October 27, 2011, INV-JJ-109. See app. C. for the year 1991, data are compiled from table C-1, *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)*, USITC Publication 2585, December 1992 and *Certain Welded Stainless Steel Pipes from Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final)—Staff Report*, Table C-1, December 3, 1992, INV-P-182. For the year 2015, data are compiled using data submitted by domestic interested parties. *Domestic Interested Parties' Response to the Notice of Institution*, July 2, 2014, exh. 1. Imports -- Nonsubject import data for Taiwan are based on U.S. Customs and Border Protection ("Customs") confidential import statistics. Import data for other sources are based on official statistics of Commerce for HTS statistical reporting number 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085.



## 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. Additional information concerning simultaneous presence and geographical markets is presented below.<sup>54</sup>

### Presence in the market

Table I-7 presents data on the number of monthly entries of U.S. imports of WSS pipe, by source, during 2011-15.

**Table I-7**  
**WSS pipe: U.S. imports, monthly entries into the United States, by source, 2011-15**

Country	Calendar year				
	2011	2012	2013	2014	2015
Korea	12	12	12	12	12
Taiwan (subject)	12	12	12	12	12

*Source:* Official Commerce statistics for HTS subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085. U.S. imports identified as being manufactured by Ta Chen (Thailand) have been removed from subject U.S. imports from Taiwan and have been identified as nonsubject imports from Taiwan. These imports were identified using proprietary Customs data.

### Geographical markets

Information summarizing the geographic markets to which imported WSS pipe enter the United States is presented in table I-8.

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<sup>54</sup> In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

**Table I-8**

**WSS pipe: U.S. imports from subject countries, by Customs district, 2011-15**

Item	Customs district	Imports (short tons)
<b>Korea</b>	Houston-Galveston, TX	19,939
	Savannah, GA	4,851
	Los Angeles, CA	5,702
	All others	3,977
<b>Subtotal</b>		<b>34,469</b>
<b>Taiwan (subject)</b>	Los Angeles, CA	***
	Chicago, IL	***
	All others	***
	<b>Subtotal (Taiwan subject)</b>	

Source: Import data for Korea are based on official statistics of Commerce for HTS statistical reporting number 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085. Import data for Taiwan are based on proprietary Customs data for HTS subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085.

**THE INDUSTRY IN KOREA**

In the original investigations, counsel for three Korean producers, Lucky Metals, Pusan Pipe (now SeAH), and Sammi Metal Products Co., stated that these firms accounted for approximately 95 percent of both Korean production of welded A-312 pipes and Korea’s exports of welded A-312 pipes to the United States.<sup>55</sup> At that time, there was substantial excess capacity in the Korean pipe and tube industry.<sup>56</sup>

During the first reviews, the foreign producers’ questionnaire responses provided a fairly complete characterization of the Korean WSS pipe and tube industry.<sup>57</sup> During these reviews, there were a number of changes noted in the Korean industry.<sup>58</sup> During the second reviews, questionnaires were sent to four Korean companies believed to be actively producing subject welded A-312 pipes, Boorim Corp. (“Boorim”), Changwon Specialty Steel (previously known as Sungwon Pipe Co., Ltd.) (“Changwon”), Hyundai Hysco (formerly known as Hyundai Pipe Co., Ltd.) (“Hyundai”), and SeAH.<sup>59</sup> There were no responses from Korean firms to the foreign producer’s questionnaire.

In the Commission’s third five-year reviews, domestic producers identified three producers of subject merchandise in Korea: HYSCO, Miju Steel, and SeAH.<sup>60</sup>

<sup>55</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Second Review)*—Staff Report, p. IV-9, July 17, 2006, INV-DD-107.

<sup>56</sup> *Ibid.*

<sup>57</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Second Review)*—Staff Report, July 17, 2006, INV-DD-107, p. IV-10.

<sup>58</sup> *Ibid.*

<sup>59</sup> *Ibid.*

<sup>60</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011, I-24-25.

In response to the Commission's request in its notice of institution in these reviews for a list of all known and currently operating producers of subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries since 2010, based on information provided in the 2016 India investigations, domestic producers identified three producers of ASTM A-312 pipe in Korea: HYSCO, SeAH, and Songwon Pipe Co. Ltd.<sup>61</sup>

Table I-9 presents information on Korea's global exports classifiable in HS 7306.40 during 2013-15, as reported by Global Trade Atlas. As noted with the export statistics for India, circular welded tubes, pipes, and hollow profiles of stainless steel encompass a broader commodity category than subject WSS pipe (not exceeding 14 inches in OD). For example, mechanical tubing, pressure tubing, and other specialized tubing is also classifiable in HS 7306.40.

The United States is Korea's largest export market in terms of both the quantity and value of exports classifiable in HS 7306.40. Korea's exports of circular welded tubes, pipes, and hollow profiles of stainless steel to the United States accounted for 34.2 percent of the volume of Korea's total exports of these products in 2015. After the United States, Korea's largest markets are in China, Thailand, Japan, Malaysia and Indonesia during 2011-2015. As of October 2015, the Ministry of Finance in Thailand initiated an antidumping duty investigation on imports of stainless steel pipe and tube from Korea, as well as, China, Taiwan, and Vietnam.<sup>62</sup> The ongoing investigation covers product classifiable in HS 7306.40.<sup>63</sup> Despite existing antidumping orders on A 312 pipe from Korea, exports of goods classified in HS 7306.40 to the United States increased from 2011-14, but decreased from 2014 to 2015.

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<sup>61</sup> Ibid.

<sup>62</sup> Preston Pipe & Tube Report, "International Mill Activity," October 2015, 32

<sup>63</sup> WTO, "Semi-Annual Report under Article 16.4 of the Agreement: Thailand," G/ADP/N/280/THA, December 30, 2015.

**Table I-9**  
**WSS pipe: Korean exports by destination market, 2011-15**

Item	Calendar year				
	2011	2012	2013	2014	2015
	<b>Quantity (short tons)</b>				
Korea's exports to the United States	12,580	10,167	11,191	20,448	15,816
Korea's exports to other major destination markets.--					
China	6,231	4,330	6,197	7,605	7,015
Thailand	4,718	4,667	4,787	1,810	2,718
Japan	2,825	2,610	1,639	2,344	2,691
Malaysia	313	270	907	376	2,410
Indonesia	1,714	3,301	2,587	2,532	1,994
Iraq	-	38	1	211	1,520
India	555	705	770	905	1,120
Turkey	217	266	3,294	974	1,087
All other destination markets	25,319	13,886	12,239	11,418	9,853
Total Korea exports	54,472	40,240	43,612	48,623	46,224
	<b>Value (1,000 dollars)</b>				
Korea's exports to the United States	54,336	44,391	51,953	75,641	58,265
Korea's exports to other major destination markets.--					
China	31,689	20,578	29,095	22,109	19,976
Thailand	20,693	21,979	23,666	7,514	10,650
Japan	12,644	11,291	6,480	9,043	9,201
Malaysia	2,312	1,836	4,765	2,432	7,629
Indonesia	4,717	10,412	7,388	7,010	4,948
Iraq	-	1,312	6	646	5,389
India	2,328	3,484	3,242	3,858	4,040
Turkey	974	997	14,532	5,232	4,533
All other destination markets	140,733	67,356	57,694	54,789	44,417
Total Korea exports	270,426	183,636	198,821	188,274	169,048

Table continued on next page.

**Table I-9--Continued**  
**WSS pipe: Korean exports by destination market, 2011-15**

Item	Calendar year				
	2011	2012	2013	2014	2015
	<b>Unit value (dollars per short ton)</b>				
Korea's exports to the United States	4,319	4,366	4,642	3,699	3,684
Korea's exports to other major destination markets.--					
China	5,086	4,752	4,695	2,907	2,848
Thailand	4,386	4,709	4,944	4,151	3,918
Japan	4,476	4,326	3,954	3,858	3,419
Malaysia	7,387	6,800	5,254	6,468	3,166
Indonesia	2,752	3,154	2,856	2,769	2,481
Iraq	--	34,526	6,000	3,062	3,545
India	4,195	4,942	4,210	4,263	3,607
Turkey	4,488	3,748	4,412	5,372	4,170
All other destination markets	5,558	4,851	4,714	4,798	4,508
Total Korea exports	4,964	4,564	4,559	3,872	3,657
	<b>Share of quantity (percent)</b>				
Korea's exports to the United States	23.1	25.3	25.7	42.1	34.2
Korea's exports to other major destination markets.--					
China	11.4	10.8	14.2	15.6	15.2
Thailand	8.7	11.6	11.0	3.7	5.9
Japan	5.2	6.5	3.8	4.8	5.8
Malaysia	0.6	0.7	2.1	0.8	5.2
Indonesia	3.1	8.2	5.9	5.2	4.3
Iraq	--	0.1	0.0	0.4	3.3
India	1.0	1.8	1.8	1.9	2.4
Turkey	0.4	0.7	7.6	2.0	2.4
All other destination markets	46.5	34.5	28.1	23.5	21.3
Total Korea exports	100.0	100.0	100.0	100.0	100.0

Source: Official Korean exports statistics under HTS subheading 7306.40 as reported by Korea Customs and Trade Development Institution in the GTIS/GTA database, accessed July 27, 2016. Data reported under subheading 7306.40 likely includes some merchandise outside of the scope of these investigations.

### THE INDUSTRY IN TAIWAN

In the original investigations, four firms, Ta Chen, Chang Tieh Industry Co., Ltd. ("Chang Mien"), Jaung Yaunn Enterprise Co., Ltd. ("Jaung Yaunn," later becoming Froch Enterprise Co., Ltd. ("Froch")), and Yeun Chyang Industrial Co., Ltd. ("Yeun Chyang"), accounted for approximately \*\*\* percent of both Taiwan's production and Taiwan's exports of welded A-312 pipes to the United States.<sup>64</sup>

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<sup>64</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Third Review)*—Staff Report, October 27, 2011, INV-JJ-109, p. IV-30.

During the first reviews, only one of Taiwan's firms, Jaung Yaunn, provided a limited response to the Commission's questionnaire, indicating that at that time there were \*\*\* firms capable of producing welded A-312 pipe in Taiwan.<sup>65</sup>

During the second reviews, the Commission sent foreign producer questionnaires to five firms in Taiwan identified as possible producers of welded A-312 pipe, Ever Lasting Stainless Steel Industrial Co., Ltd. ("Ever Lasting"), Froch; Hedeoma Corporation ("Hedeoma"); Ta Chen; and Yeun Chyang. Hedeoma responded that it had not produced or exported welded A-312 pipes since January 1, 2000. Ever Lasting, Froch, and Ta Chen did not respond to the Commission's questionnaire. Yeun Chyang, however, responded to the Commission's questionnaire with a substantial amount of information. Yeun Chyang listed \*\*\* firms in Taiwan that, in addition to itself, are producers of A-312 pipes, \*\*\*. No mention was made of \*\*\* from the antidumping duties assessed on imports from Taiwan.<sup>66</sup>

In the Commission's third five-year reviews, domestic producers identified six producers of subject merchandise in Taiwan: Femco, Froch Enterprise, Hsin Hsin Metals, Ta Chen, and Yeun Chang.<sup>67</sup>

In response to the Commission's request in its notice of institution in these reviews for a list of all known and currently operating producers of subject merchandise in the subject countries that currently export or have exported subject merchandise to the United States or other countries since 2010, based on information provided in the 2016 India investigations, domestic producers identified four producers of ASTM A-312 pipe in Taiwan: Ever Lasting Stainless Steel Industrial Co., Ltd.; Froch; Ta Chen; and Yeung Chyang.<sup>68</sup>

Table I-10 presents information on Taiwan's global exports under HS 7306.40 during 2011-15. The United States is Taiwan's largest export market for circular welded tubes, pipes, and hollow profiles of stainless steel by quantity and by value, accounting for 18.5 percent of the volume of Taiwan's exports under HS 7306.40 in 2015. Other large markets for Taiwan are Australia and Canada. Otherwise, Taiwan has dispersed coverage in terms of other global exports. While most Taiwan producers have been subject to a U.S. antidumping order on A-312 pipe since 1991, Chang Tieh (later Chang Mien) and Ta Chen are excluded from the order.<sup>69</sup> In 2015, Ta Chen announced the expansion of its Charlotte, North Carolina warehouse location, which added 100,000 square feet for a total space of 125,000 square feet.<sup>70</sup>

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<sup>65</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Third Review)*—Staff Report, October 27, 2011, INV-JJ-109, p. IV-30.

<sup>66</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Third Review)*—Staff Report, October 27, 2011, INV-JJ-109, p. IV-30-31.

<sup>67</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011, p. I-25-26.

<sup>68</sup> Domestic Interested Parties' Response to the Notice of Institution, July 2, 2014, pp. 25-26.

<sup>69</sup> *Welded Stainless Steel Pressure Pipe from Malaysia, Thailand, and Vietnam, Investigation Nos. 731-TA-1210-1212 (Final)*, USITC Publication 4477, July 2014, p. VII-12.

<sup>70</sup> Charlotte Business Journal, "Ta Chen International expanding Charlotte operation, leases space in new Prologis building," January 23, 2015.

[http://www.bizjournals.com/charlotte/blog/real\\_estate/2015/01/ta-chen-international-](http://www.bizjournals.com/charlotte/blog/real_estate/2015/01/ta-chen-international-)

(continued...)

**Table I-10**

**WSS pipe: Taiwan exports by destination market, 2011-15**

Item	Calendar year				
	2011	2012	2013	2014	2015
	<b>Quantity (short tons)</b>				
Taiwan's exports to the United States	27,961	29,679	30,577	37,619	34,017
Taiwan's exports to other major destination markets.--					
Australia	11,824	11,560	11,870	13,583	12,575
Canada	10,937	10,092	10,107	11,164	10,620
Mexico	5,114	5,502	5,812	7,243	8,764
South Africa	7,546	8,439	7,337	7,249	7,722
Thailand	7,217	6,851	6,404	6,697	7,225
Saudi Arabia	2,891	3,240	4,126	5,100	6,967
Netherlands	5,900	5,459	6,195	7,240	6,714
Turkey	7,226	7,976	9,782	7,534	6,361
All other destination markets	83,663	85,751	88,084	90,478	82,587
Total Taiwan exports	170,279	174,547	180,295	193,906	183,552
	<b>Value (1,000 dollars)</b>				
Taiwan's exports to the United States	116,110	105,469	96,041	143,953	93,333
Taiwan's exports to other major destination markets.--					
Australia	46,790	38,753	36,032	41,245	33,551
Canada	40,942	32,023	27,454	30,603	25,629
Mexico	17,638	16,175	14,830	18,702	19,508
South Africa	29,184	29,393	21,285	19,899	18,942
Thailand	24,469	19,426	15,999	16,307	15,339
Saudi Arabia	10,853	11,074	11,866	13,668	17,880
Netherlands	23,224	19,144	18,230	21,438	16,997
Turkey	24,155	22,836	25,153	19,210	14,690
All other destination markets	296,656	262,925	240,519	251,051	201,062
Total Taiwan exports	630,021	557,218	507,409	576,076	456,931

Table continued on next page.

(...continued)

[expanding-charlotte.html](#), retrieved August 10, 2016; Ta Chen, "Locations: U.S.A.," [http://www.tachen.com/location\\_US.asp](http://www.tachen.com/location_US.asp), retrieved August 10, 2016.

**Table I-10--Continued**  
**WSS pipe: Taiwan exports by destination market, 2011-15**

Item	Calendar year				
	2011	2012	2013	2014	2015
	<b>Unit value (dollars per short ton)</b>				
Taiwan's exports to the United States	4,153	3,554	3,141	3,827	2,744
Taiwan's exports to other major destination markets.--					
Australia	3,957	3,352	3,036	3,037	2,668
Canada	3,743	3,173	2,716	2,741	2,413
Mexico	3,449	2,940	2,552	2,582	2,226
South Africa	3,867	3,483	2,901	2,745	2,453
Thailand	3,390	2,835	2,498	2,435	2,123
Saudi Arabia	3,754	3,418	2,876	2,680	2,566
Netherlands	3,936	3,507	2,943	2,961	2,532
Turkey	3,343	2,863	2,571	2,550	2,309
All other destination markets	2,935	2,538	2,258	2,276	1,984
Total Taiwan exports	3,357	2,896	2,553	2,695	2,258
	<b>Share of quantity (percent)</b>				
Taiwan's exports to the United States	16.4	17.0	17.0	19.4	18.5
Taiwan's exports to other major destination markets.--					
Australia	6.9	6.6	6.6	7.0	6.9
Canada	6.4	5.8	5.6	5.8	5.8
Mexico	3.0	3.2	3.2	3.7	4.8
South Africa	4.4	4.8	4.1	3.7	4.2
Thailand	4.2	3.9	3.6	3.5	3.9
Saudi Arabia	1.7	1.9	2.3	2.6	3.8
Netherlands	3.5	3.1	3.4	3.7	3.7
Turkey	4.2	4.6	5.4	3.9	3.5
All other destination markets	49.1	49.1	48.9	46.7	45.0
Total Taiwan exports	100.0	100.0	100.0	100.0	100.0

Source: Official Taiwanese exports statistics under HTS subheading 7306.40 as reported by Taiwan Directorate General of Customs in the GTIS/GTA database, accessed July 27, 2016. Data reported under subheading 7306.40 likely includes some merchandise outside of the scope of this investigation.



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

The World Trade Organization (“WTO”) notes two antidumping orders against Taiwan by Brazil and Turkey and initiations of antidumping duty investigations against Korea and Taiwan by Thailand (table I-11).

**Table I-11**

**WSS pipe: Antidumping duty orders in third country markets**

Market	Subject country	Product	Action
Brazil	Taiwan	Welded pipe of austenitic stainless steel of circular section, with an outside diameter of 6 mm (1/4 inch) or more but less than 2032 mm (80 inches), with a thickness of 0.40 mm or more and less than or equal to 12.70 mm , covered by HS 7306.40 and 7306.90	Definitive antidumping duty of US\$359.66/metric ton - US\$911.71/metric ton imposed on July 29, 2013.
Thailand	Korea	Stainless steel pipe and tube HS: 7305.31.10, 73061110, 73061190, 730621, 73064010, 73064020, 73064030, 73064090, 730661	Investigation initiated on September 17, 2015.
	Taiwan	Stainless steel pipe and tube HS: 7305.31.10, 73061110, 73061190, 730621, 73064010, 73064020, 73064030, 73064090, 730661	Investigation initiated on September 17, 2015.
Turkey	Taiwan	Welded stainless steel tubes, pipes, and profiles; 7306.40.20.90.00, 7306.40.80.90.00, 7306.61.10.00.00;	Definitive antidumping duty of 7.98-14.65% of cost, insurance, and freight (“CIF”) value imposed on March 15, 2013

Note.—HS classification numbers greater than 6 digits represent a HS classification specific to the issuing country. The HS is harmonized only to the 6-digit level.

Source: WTO, Semi-Annual Report under Article 16.4 of the Agreement: Brazil, report number G/ADP/N/252/BRA, March 28, 2014; Semi-Annual Report under Article 16.4 of the Agreement: Brazil, report, G/ADP/N/286/BRA, August 30, 2016; Semi-Annual Report under Article 16.4 of the Agreement: Thailand, report number G/ADP/N/286/THA, September 2, 2016; Semi-Annual Report under Article 16.4 of the Agreement: Turkey, report number G/ADP/N/244/TUR, August 2, 2013; and ; Semi-Annual Report under Article 16.4 of the Agreement: Turkey, report number G/ADP/N/286/TUR, September 6, 2016.

## THE GLOBAL MARKET

Table I-11 presents the largest global export sources of WSS pipe during 2011-15.

**Table I-11**

**WSS pipe: Global exports by major sources, 2011-15**

Item	2011	2012	2013	2014	2015
Italy	308,450	305,468	312,648	320,963	330,873
Taiwan	170,278	174,546	180,293	193,904	183,551
China	105,579	121,882	132,709	142,993	152,199
Germany	80,678	79,400	81,426	94,701	89,230
South Korea	54,471	40,239	43,611	48,622	46,224
Czech Republic	28,524	46,670	55,321	63,448	33,860
Unite States	26,589	31,576	30,028	28,701	26,766
Netherlands	12,877	18,193	17,751	19,086	23,982
Finland	14,712	18,901	22,726	24,091	22,469
Canada	14,462	16,484	17,669	21,131	21,216
All other	179,862	185,598	201,140	214,600	174,550
Total	996,484	1,038,959	1,095,322	1,172,241	1,104,920

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

Source: Official export statistics under HS subheading HS 7306.40 as reported by each country's statistical authority in the GTIS/GTA database, accessed July 27, 2016.

**APPENDIX A**

***FEDERAL REGISTER NOTICES***



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

Citation	Title	Link
81 FR 75845 November 1, 2016	<i>Certain Welded Stainless Steel Pipe From Korea and Taiwan; Institution of Five-Year Reviews</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2016-11-01/pdf/2016-26267.pdf">https://www.gpo.gov/fdsys/pkg/FR-2016-11-01/pdf/2016-26267.pdf</a>
79 FR 75808 November 1, 2016	<i>Initiation of Five-Year ("Sunset") Reviews</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2016-11-01/pdf/2016-26364.pdf">https://www.gpo.gov/fdsys/pkg/FR-2016-11-01/pdf/2016-26364.pdf</a>



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





**Appendix B is redacted in its entirety.**



**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS**



Table C-1  
A-312 pipes: Summary data concerning the U.S. market, 1989-91, January-June 1991, and January-June 1992

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

Item	Reported data					Period changes			
	1989	1990	1991	Jan.-June-- 1991	1992	1989-90	1990-91	1989-91	Jan.-June 1991-92
U.S. consumption quantity:									
Amount.....	50,851	62,678	60,794	32,198	30,782	+23.3	-3.0	+19.6	-4.4
Producers' share 1/.....	73.7	64.8	59.6	59.8	70.8	-8.9	-5.2	-14.1	+10.9
Importers' share: 1/.....									
Korea.....	0.9	5.3	8.3	12.7	3.2	+4.4	+3.0	+7.5	-9.5
Taiwan.....	6.1	12.7	15.1	15.3	9.1	+6.6	+2.4	+9.0	-6.2
Subtotal.....	7.0	18.0	23.5	28.0	12.3	+11.1	+5.4	+16.5	-15.7
Other sources.....	19.3	17.1	16.9	12.1	16.9	-2.2	-0.3	-2.4	+4.8
Total.....	26.3	35.2	40.4	40.2	29.2	+8.9	+5.2	+14.1	-10.9
U.S. consumption value:									
Amount.....	239,232	245,827	211,550	115,473	106,900	+2.8	-13.9	-11.6	-7.4
Producers' share 1/.....	76.6	68.8	63.2	62.6	71.3	-7.8	-5.6	-13.4	+8.7
Importers' share: 1/.....									
Korea.....	0.6	4.0	7.2	10.4	2.4	+3.4	+3.1	+6.6	-8.0
Taiwan.....	5.5	10.8	13.9	13.5	7.9	+5.2	+3.1	+8.3	-5.7
Subtotal.....	6.1	14.8	21.0	24.0	10.3	+8.7	+6.2	+14.9	-13.7
Other sources.....	17.3	16.4	15.8	13.4	18.4	-0.9	-0.6	-1.5	+5.0
Total.....	23.4	31.2	36.8	37.4	28.7	+7.8	+5.6	+13.4	-8.7
U.S. importers' imports from--									
Korea:									
Imports quantity.....	444	3,328	5,074	4,083	973	+649.5	+52.5	2/	-76.2
Imports value.....	1,422	9,906	15,172	12,060	2,605	+596.6	+53.2	+966.9	-78.4
Unit value.....	\$3,206	\$2,977	\$2,990	\$2,953	\$2,678	-7.2	+0.4	-6.7	-9.3
Ending inventory qty.....	***	***	***	***	***	***	***	***	***
Taiwan:									
Imports quantity.....	3,095	7,979	9,197	4,938	2,812	+157.8	+15.3	+197.2	-43.1
Imports value.....	13,271	26,531	29,305	15,634	8,419	+99.9	+10.5	+120.8	-46.1
Unit value.....	\$4,288	\$3,325	\$3,186	\$3,166	\$2,995	-22.5	-4.2	-25.7	-5.4
Ending inventory qty.....	***	***	***	***	***	***	***	***	***
Subject sources:									
Imports quantity.....	3,538	11,307	14,271	9,022	3,785	+219.6	+26.2	+303.4	-58.0
Imports value.....	14,693	36,437	44,477	27,694	11,025	+148.0	+22.1	+202.7	-60.2
Unit value.....	\$4,152	\$3,223	\$3,117	\$3,070	\$2,913	-22.4	-3.3	-24.9	-5.1
Ending inventory qty.....	253	669	1,363	1,051	297	+164.4	+103.7	+438.7	-71.7
Other sources:									
Imports quantity.....	9,819	10,738	10,260	3,907	5,205	+9.4	-4.5	+4.5	+33.2
Imports value.....	41,377	40,271	33,472	15,505	19,682	-2.7	-16.9	-19.1	+26.9
Unit value.....	\$4,214	\$3,750	\$3,262	\$3,969	\$3,781	-11.0	-13.0	-22.6	-4.7
Ending inventory qty.....	***	***	***	***	***	***	***	***	***
All sources:									
Imports quantity.....	13,357	22,045	24,531	12,929	8,990	+65.0	+11.3	+83.7	-30.5
Imports value.....	56,070	76,708	77,949	43,199	30,706	+36.8	+1.6	+39.0	-28.9
Unit value.....	\$4,198	\$3,480	\$3,178	\$3,341	\$3,416	-17.1	-8.7	-24.3	+2.2
U.S. producers' --									
Ending capacity quantity...	60,299	63,904	63,432	31,887	32,246	+6.0	-0.7	+5.2	+1.1
Production quantity.....	38,103	41,012	39,016	21,158	22,001	+7.6	-4.9	+2.4	+4.0
Capacity utilization 1/.....	63.2	64.2	61.5	66.4	68.2	+1.0	-2.7	-1.7	+1.9
U.S. shipments:									
Quantity.....	37,494	40,633	36,263	19,269	21,792	+8.4	-10.8	-3.3	+13.1
Value.....	183,162	169,119	133,601	72,274	76,194	-7.7	-21.0	-27.1	+5.4
Unit value.....	\$4,885	\$4,162	\$3,684	\$3,751	\$3,496	-14.8	-11.5	-24.6	-6.8
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Exports/shipments 1/.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity..	***	***	***	***	***	-2.0	+50.2	+47.1	+4.5
Inventory/shipments 1/.....	***	***	***	***	***	-1.3	+7.4	+6.1	-1.1
Production workers.....	563	615	562	574	577	+9.2	-8.6	-0.2	+0.5
Hours worked (1,000s).....	1,134	1,191	1,200	621	590	+5.0	+0.8	+5.8	-5.0
Total comp. (\$1,000).....	15,864	16,817	16,093	8,360	9,104	+6.0	-4.3	+1.4	+8.9
Hourly total compensation..	\$13.99	\$14.12	\$13.41	\$13.46	\$15.43	+0.9	-5.0	-4.1	+14.6
Productivity (short tons per 1,000 hours).....	33.6	34.4	32.5	34.1	37.3	+2.5	-5.6	-3.2	+9.4
Unit labor costs.....	\$416	\$410	\$412	\$395	\$414	-1.5	+0.6	-0.9	+4.7
Net sales value.....	***	***	***	***	***	-8.7	-20.1	-27.0	+4.4
COGS/sales 1/.....	***	***	***	***	***	+3.6	+3.9	+7.6	+5.3
Operating income (loss)....	***	***	***	***	***	-47.8	-88.3	-93.9	-110.2
Op. income (loss)/sales 1/.	9.6	5.5	0.8	4.4	(0.4)	-4.1	-4.7	-8.8	-4.8

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

2/ An increase of 1,000 percent or more.

3/ Not applicable.

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

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

**Table I-4**

**Certain WSS pipe: U.S. producers' trade, employment, and financial data, 1997-99, 2000-05, and 2010**

(Quantity= short tons, value =1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton)

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010
Capacity ( <i>short tons</i> )	***	***	***	88,787	76,803	77,097	85,419	82,113	77,877	71,700
Production ( <i>short tons</i> )	***	***	***	54,957	43,593	50,916	46,848	44,605	35,579	39,008
Capacity utilization ( <i>percent</i> )	***	***	***	61.9	56.8	66.0	54.8	54.3	45.7	54.4
Shipments:										
U.S. shipments:										
Quantity ( <i>short tons</i> )	***	***	***	52,561	46,191	49,272	46,272	43,514	37,006	36,657
Value ( <i>1,000 dollars</i> )	***	***	***	160,599	117,040	113,080	115,093	168,001	161,415	172,543
Unit value ( <i>per short ton</i> )	\$***	\$***	\$***	\$3,055	\$2,534	\$2,295	\$2,487	\$3,861	\$4,362	\$4,707
Exports:										
Quantity ( <i>short tons</i> )	***	***	***	499	550	450	412	448	149	1,503
Value ( <i>\$1,000</i> )	***	***	***	1,826	1,606	1,327	1,408	2,181	821	8,998
Unit value ( <i>per short ton</i> )	\$***	\$***	\$***	\$3,663	\$2,919	\$2,952	\$3,420	\$4,874	\$5,505	\$5,987
End of period inventory	***	***	***	14,166	8,683	9,982	9,306	10,306	8,729	5,253
PRWs ( <i>number</i> )	***	***	***	560	374	357	349	359	346	NA
Net sales ( <i>\$1,000</i> )	***	***	***	161,477	117,068	113,159	115,492	168,662	160,992	179,829
Cost of goods sold (COGS) ( <i>\$1,000</i> )	***	***	***	146,427	117,374	123,998	114,928	147,119	150,645	179,450
Gross profit ( <i>\$1,000</i> )	***	***	***	15,049	(305)	(10,839)	564	21,543	10,348	378
SG&A ( <i>\$1,000</i> )	***	***	***	16,655	13,176	12,290	10,282	12,297	11,472	14,034
Operating income or (loss) ( <i>\$1,000</i> )	***	***	***	(1,606)	(13,482)	(23,130)	(9,718)	9,246	(1,125)	(13,357)
COGS/sales ( <i>percent</i> )	***	***	***	90.7	100.3	109.6	99.5	87.2	93.6	99.8
Operating income or (loss)/sales ( <i>percent</i> )	***	***	***	(1.0)	(11.5)	(20.4)	(8.4)	5.5	(0.7)	(7.4)

Source: *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Review)*, confidential staff report, table C-5; *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Second Review)*, confidential staff report, C-4; and Domestic Interested Parties' response, Exhibit 1.

Table I-7

**Certain WSS pipe: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market share, 1997-99, 2000-05, and 2010**

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010
<b>Quantity (short tons)</b>										
U.S. producers' U.S. shipments	***	***	***	52,561	46,191	49,272	46,272	43,514	37,006	36,657
U.S. imports from-- Korea:	***	***	***	2,403	2,938	3,259	4,549	5,708	5,716	4,680
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	12,899	9,419	10,686	14,138	20,048	25,894	18,249
All sources	***	***	***	29,438	22,423	23,055	29,769	35,595	41,456	41,722
Apparent U.S. consumption	***	***	***	81,999	68,613	72,327	76,041	79,110	78,462	78,379
<b>Value (\$1,000)</b>										
U.S. producers' U.S. shipments	***	***	***	160,599	117,040	113,080	115,093	168,001	161,415	172,543
U.S. imports from-- Korea:	***	***	***	***	***	***	***	***	***	14,654
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	44,822	38,356	36,747	42,166	72,490	106,534	70,641
All sources	***	***	***	86,480	64,187	61,246	74,572	119,814	161,771	166,320
Apparent U.S. consumption	***	***	***	247,078	181,227	174,326	189,666	287,814	323,186	388,863
<b>Share of apparent U.S. consumption based on quantity (percent)</b>										
U.S. producers' U.S. shipments	***	***	***	64.1	67.3	68.1	60.9	55.0	47.2	46.8
U.S. imports from-- Korea:	***	***	***	2.9	4.3	4.5	6.0	7.2	7.3	6.0
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***
Taiwan (nonsubject)	***	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	15.7	13.7	14.8	18.6	25.3	33.0	23.3
All sources	***	***	***	35.9	32.7	31.9	39.1	45.0	52.8	53.2
<p>Source: <i>Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Review)</i>, confidential staff report, table C-5; <i>Certain Welded Stainless Steel Pipe from Korea and Taiwan, Inv. Nos. 731-TA-540 and 541 (Second Review)</i>, confidential staff report, table C-4; and August 15, 2006, memorandum to file, errata page table C-4; official Commerce statistics (HTS 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085); and Domestic Interested Parties' response, Exhibit 1.</p>										