Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania

Investigation Nos. 731-TA-847 and 849 (Third Review)

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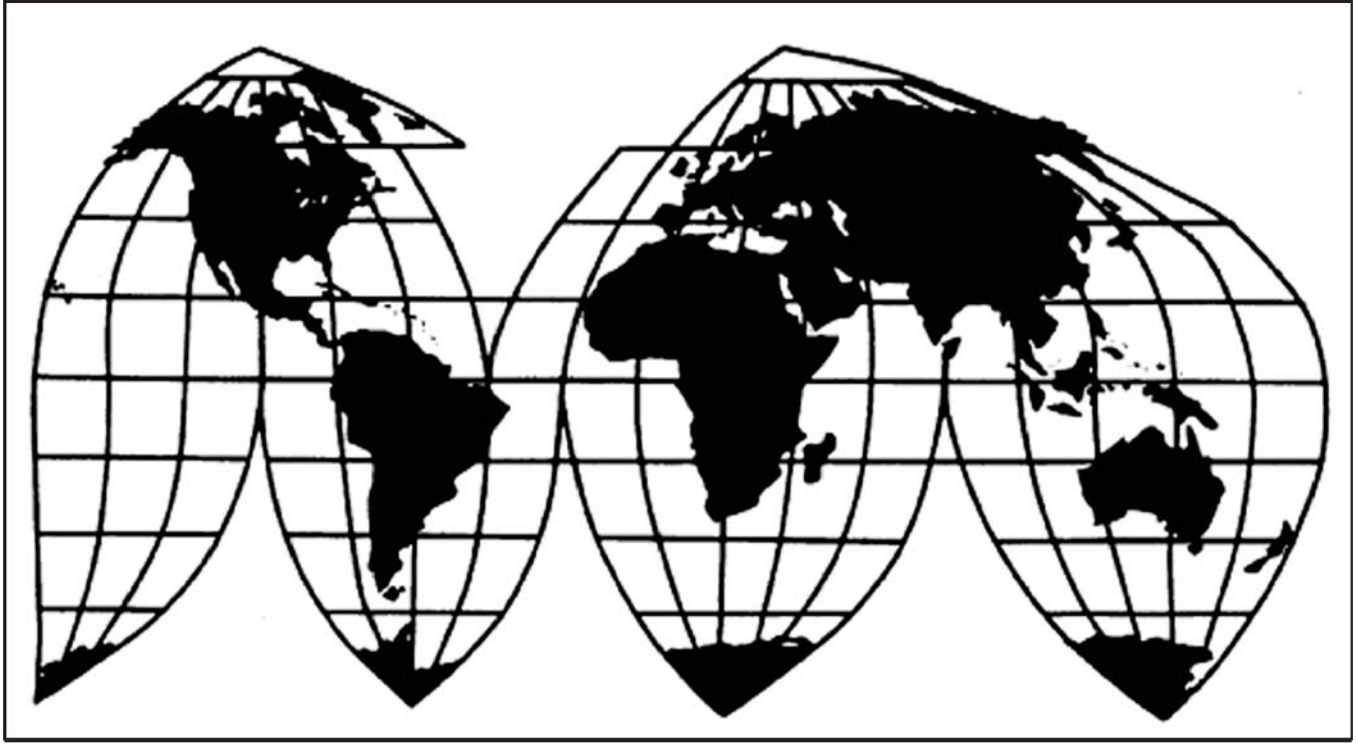
U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.— Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-847 and 849 (Third Review)

Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania

DETERMINATIONS

On the basis of the record[1] developed in these 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 carbon and alloy seamless standard, line, and pressure pipe from Japan and Romania would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on September 1, 2016 (81 F.R. 60383) and determined on December 5, 2016 that it would conduct full reviews (81 F.R. 91199, December 16, 2017). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on April 5, 2017 (82 F.R. 16621). The hearing was held in Washington, DC, on August 8, 2017, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Commissioner Broadbent dissenting with respect to the antidumping duty order on subject imports from Romania.

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 order on large-diameter carbon and alloy seamless standard, line, and pressure pipe ("seamless SLP pipe") from Japan and the antidumping duty orders on small-diameter seamless SLP pipe from Japan and Romania would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

I. Background

Original Investigations: In June 2000, the Commission determined that an industry in the United States was materially injured by reason of less-than-fair-value ("LTFV") imports of small-diameter seamless SLP pipe from Japan and South Africa and that an industry in the United States was materially injured by reason of LTFV imports of large-diameter seamless SLP pipe from Japan.[2] On June 26, 2000, Commerce issued antidumping duty orders on small-diameter seamless SLP pipe from Japan and South Africa and on large-diameter seamless SLP pipe from Japan.[3]

In August 2000, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of small-diameter seamless SLP pipe from the Czech Republic and Romania and imports of large-diameter seamless SLP pipe from Mexico.[4] On August 4, 2000, Commerce issued antidumping duty orders on small-diameter seamless SLP pipe from Romania and large-diameter seamless SLP pipe from Mexico.[5] On August 8, 2000,

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[1] Commissioner Broadbent determines that revocation of the antidumping duty orders on small- and large-diameter seamless SLP pipe from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, and that revocation of the antidumping duty order on small-diameter seamless SLP pipe from Romania would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See* Additional and Dissenting Views of Commissioner Broadbent. Commissioner Broadbent joins sections I to III, IV.D.2 and D.3, and V.A and V.B. of these Views, except as otherwise noted.

[2] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Japan and South Africa*, Inv. Nos. 731-TA-847 and 850 (Final), USITC Pub. 3311 (June 2000) ("Original Investigations-Japan").

[3] 65 Fed. Reg. 39360 (June 26, 2000).

[4] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, Mexico, and Romania*, Inv. Nos. 731-TA-846, 848, 849 (Final), USITC Pub. 3325 (Aug. 2000) ("*Original Investigations-Romania*").

[5] *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Romania*, 65 Fed. Reg. 48963 (August 10, 2000) and *Notice of Amended Final Determination of Sales at* (Continued…)

Commerce issued an antidumping duty order on small-diameter seamless SLP pipe from the Czech Republic.[6]

First Five-Year Reviews: In May 2005, in the full five-year reviews of the orders,[7] the Commission determined that revocation of the antidumping duty orders covering small-diameter seamless SLP pipe from Japan and Romania would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[8] The Commission made negative determinations with respect to subject imports of small-diameter seamless SLP pipe from the Czech Republic and South Africa and with respect to large-diameter seamless SLP pipe from Mexico.[9] Four Commissioners did not exercise their discretion to cumulate subject imports of small-diameter seamless SLP pipe from Japan with any other subject imports;[10] two Commissioners exercised their discretion to cumulate subject imports of small-diameter seamless SLP pipe from all countries then subject to the review.[11] One Commissioner who made an affirmative determination with respect to small-diameter seamless SLP pipe from Romania considered those imports separately.[12] Consequently, Commerce continued the orders on small-diameter and large-diameter seamless SLP pipe imports from Japan and the order on small-diameter seamless SLP imports from Romania,[13] and revoked the orders on small-diameter seamless SLP pipe from the Czech Republic and South Africa and on large-diameter seamless SLP pipe from Mexico.[14]

(…Continued)

Less Than Fair Value and Antidumping Duty Order: Certain Large Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Mexico, 65 Fed. Reg. 49227, 49229 (August 11, 2000).

[6] *Notice of Antidumping Duty Order: Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from the Czech Republic*, 65 Fed. Reg. 49539, 49540 (August 14, 2000).

[7] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa*, Inv. Nos. 731-TA-846 to 850 (Review), USITC Pub. 3850 at 3-4 (Apr. 2006) ("*First Five-Year Reviews*").

[8] Commissioners Lane, Aranoff, and Koplan voted in the affirmative with respect to subject imports from Japan and Romania; Commissioners Okun, Pearson, and Hillman voted in the negative with respect to small-diameter seamless SLP pipe from Romania. *See* USITC Pub. 3850 at 3.

[9] The negative determination in the five-year reviews covering small-diameter seamless SLP pipe from the Czech Republic and South Africa and large-diameter seamless SLP pipe from Mexico reflected the views of Commissioners Okun, Pearson, Aranoff, and Hillman. Commissioners Koplan and Lane dissented. *See* 71 Fed. Reg. 24860 (April 27, 2006).

[10] *First Five-Year Reviews*, USITC Pub. 3850 at 17-18 (Commission Opinion).

[11] *First Five-Year Reviews*, USITC Pub. 3850 at 77 (Commissioners Koplan and Lane).

[12] *First Five-Year Reviews*, USITC Pub. 3850 at 66-68 (Commissioner Aranoff).

[13] *Certain Large Diameter Carbon and Alloy Steel Seamless Standard, Line, and Pressure Pipe from Japan and Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania: Continuation of Antidumping Duty Orders*, 71 Fed Reg. 26746 (May 8, 2006).

[14] *Revocation of Antidumping Duty Orders: Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from the Czech Republic and South Africa*, 71 Fed. Reg. 27463 (May 11, 2006) and *Revocation of Antidumping Duty Orders: Certain Large Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Mexico*, 71 Fed. Reg. 27461 (May 11, 2006).

Second Five-Year Reviews: In September 2011, in the expedited second five-year reviews of the antidumping duty orders on small-diameter seamless SLP pipe from Japan and Romania and large-diameter seamless SLP pipe from Japan, the Commission cumulated all subject imports of small-diameter seamless SLP pipe and determined that revocation of these orders would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[15] The Commission further determined that revocation of the antidumping duty order on large-diameter seamless SLP pipe from Japan would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[16] On October 11, 2011, Commerce issued a continuation of the antidumping duty orders on large-diameter seamless SLP pipe from Japan and on small diameter seamless SLP pipe from Japan and Romania.[17]

The Current Five-Year Reviews: On September 1, 2016, the Commission instituted these third five-year reviews.[18] The Commission received a response to the notice of institution from United States Steel Corporation ("US Steel") and Vallourec Star, L.P. ("Vallourec") (jointly "Domestic Producers"), each of which is a domestic producer of seamless SLP pipe. The Commission found the response of each of these firms to be individually adequate. Because these firms accounted for a substantial share of U.S. production of seamless SLP pipe, the Commission determined that the domestic interested party group response to its notice of institution was adequate with respect to all reviews.[19]

The Commission received a joint response to the notice of institution from S.C. Silcotub S.A. ("Silcotub"), a producer and exporter of subject merchandise from Romania, and Tenaris Global Services (U.S.A.) Corporation ("TGS"), Silcotub's related U.S. importer (jointly, "Silcotub"), and a response from TMK-Artrom S.A. ("TMK-Artrom"), a producer and exporter of subject merchandise from Romania. The Commission found the response of each of these firms to be individually adequate. Because these firms collectively accounted for a majority of the subject merchandise from Romania, the Commission determined that the respondent interested party group response was adequate for the order on subject imports from Romania. On December 5, 2016, the Commission determined to conduct a full review of the order on seamless SLP pipe from Romania because the group responses from domestic interested parties and respondent interested parties were adequate.[20]

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[15] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Japan and Romania*, Inv. Nos. 731-TA-847 and 849 (Second Review), USITC Pub. 4262 at 3-4, 22 (Sep. 2011) ("*Second Five-Year Reviews*").

[16] *Second Five-Year Reviews*, USITC Pub. 4262 at 3-4.

[17] *Certain Large Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania: Continuation of Antidumping Duty Orders,* 76 Fed. Reg. 62762 (Oct. 11, 2011).

[18] 81 Fed. Reg. 60383 (Sep. 1, 2016).

[19] *See* Explanation of Commission Determinations on Adequacy, EDIS Doc. 597845; 81 Fed. Reg. 91199 (Dec. 16, 2016).

[20] *See* Explanation of Commission Determinations on Adequacy, EDIS Doc. 597845; 81 Fed. Reg. 91199 (Dec. 16, 2016).

The Commission did not receive a response from any respondent interested party concerning subject imports from Japan and therefore determined that the respondent interested party group response for each order was inadequate. The Commission determined to conduct full reviews of the antidumping duty orders on small-diameter and large-diameter seamless SLP pipe from Japan notwithstanding inadequate respondent interested party group responses in order to promote administrative efficiency in light of the determination to conduct a full review of the order on small-diameter seamless SLP pipe from Romania.[21]

The Commission received joint prehearing and posthearing submissions from domestic producers US Steel and Vallourec. The Commission also received prehearing and posthearing submissions from Silcotub and TKM-Artrom. Representatives of US Steel and Vallourec, as well as Silcotub and TMK-Artrom, appeared at the Commission's hearing accompanied by counsel.

U.S. industry data are based on the questionnaire responses of 10 U.S. producers of seamless SLP pipe that are believed to account for the vast majority of all domestic production of seamless SLP pipe in 2016.[22] U.S. import data and related information are based on the questionnaire responses of 19 U.S. importers of seamless SLP pipe that in 2016 accounted for *** percent of subject imports of small-diameter seamless SLP pipe from Japan, *** percent of subject imports of large-diameter seamless SLP pipe from Japan, essentially all imports of small diameter seamless SLP pipe from Romania, *** percent of total small diameter SLP pipe imports, and *** percent of total large-diameter seamless SLP pipe imports.[23] Foreign industry data and related information are based on the questionnaire responses of three producers of small-diameter seamless SLP pipe in Romania accounting for the vast majority of production in 2016.[24] No Japanese producer or exporter submitted a questionnaire response with complete data.[25]

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."[26] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and

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[21] *See* Explanation of Commission Determinations on Adequacy, EDIS Doc. 597845; 81 Fed. Reg. 91199 (Dec. 16, 2016).

[22] Confidential Report ("CR") at III-1, Public Report ("PR") at III-1.

[23] CR at I-13, PR at I-10 and CR/PR at IV-1.

[24] CR at I-13, PR at I-10.

[25] CR at I-13, PR at I-10. *** submitted an incomplete foreign producer questionnaire response. *** questionnaire response was missing both production and trade-related data. A representative for *** indicated that the firm had not exported subject merchandise to the United States and that it was not a manufacturer of the subject merchandise. Email from *** dated June 28, 2017 ("We are *** primarily.") CR at I-13 n.19, PR at I-10 n.19.

[26] 19 U.S.C. § 1677(4)(A).

uses with, the article subject to an investigation under this subtitle."[27] The Commission's 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.[28]

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

> *Large Diameter Pipe from Japan*
>
> The products covered by this order are large diameter seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes produced, or equivalent, to the American Society for Testing and Materials (ASTM) A-53, ASTM A-106, ASTM A-333, ASTM A- 334, ASTM A-589, ASTM A-795, and the American Petroleum Institute (API) 5L specifications and meeting the physical parameters described below, regardless of application. The scope of this order also includes all other products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification, with the exception of the exclusions discussed below. Specifically included within the scope of this order are seamless pipes greater than 4.5 inches (114.3 mm) up to and including 16 inches (406.4 mm) in outside diameter, regardless of wall-thickness, manufacturing process (hot finished or cold drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish.
>
> The seamless pipes subject to this order are currently classifiable under the subheadings 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5050, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070 of the Harmonized Tariff Schedule of the United States (HTSUS).

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[27] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[28] *See*, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

Specifications, Characteristics, and Uses: Large diameter seamless pipe is used primarily for line applications such as oil, gas, or water pipeline, or utility distribution systems. Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the ASTM A-106 standard may be used in temperatures of up to 1000 degrees Fahrenheit, at various American Society of Mechanical Engineers (ASME) code stress levels. Alloy pipes made to ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard. Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service.

They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipelines. Seamless line pipes are produced to the API 5L specification. Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers typically triple or quadruple certify the pipes by meeting the metallurgical requirements and performing the required tests pursuant to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple or quadruple certified pipes in large diameters is for use as oil and gas distribution lines for commercial applications. A more minor application

for large diameter seamless pipes is for use in pressure piping systems by refineries, petrochemical plants, and chemical plants, as well as in power generation plants and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. These applications constitute the majority of the market for the subject seamless pipes. However, ASTM A-106 pipes may be used in some boiler applications.

The scope of this order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, with the exception of the exclusions discussed below, whether or not also certified to a non-covered specification. Standard, line, and pressure applications and the above-listed specifications are defining characteristics of the scope of this review. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, and API 5L specifications shall be covered if used in a standard, line, or pressure application, with the exception of the specific exclusions discussed below.

For example, there are certain other ASTM specifications of pipe, which, because of overlapping characteristics, could potentially be used in ASTM A-106 applications. These specifications generally include ASTM A-161, ASTM A-192, ASTM A-210, ASTM A-252, ASTM A-501, ASTM A-523, ASTM A-524, and ASTM A-618. When such pipes are used in a standard, line, or pressure pipe application, such products are covered by the scope of this order.

Specifically excluded from the scope of this order are: A. Boiler tubing and mechanical tubing, if such products are not produced to ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, and API 5L specifications and are not used in standard, line, or pressure pipe applications. B. Finished and unfinished oil country tubular goods ("OCTG"), if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in this scope when used in standard, line or pressure applications. C. Products produced to the A-335 specification unless they are used in an application that would normally utilize ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, and API 5L specifications. D. Line and riser pipe for deepwater application, *i.e.*, line and riser pipe that is (1) used in a deepwater application, which means for use in water depths of 1,500 feet or more; (2) intended for use in and is actually used for a specific deepwater project; (3) rated for a specified minimum yield strength of

not less than 60,000 psi; and (4) not identified or certified through the use of a monogram, stencil, or otherwise marked with an API specification (*e.g.*, API 5L).

With regard to the excluded products listed above, the Department will not instruct U.S. Customs and Border Protection (CBP) to require end-use certification until such time as the petitioner or other interested parties provide to the Department a reasonable basis to believe or suspect that the products are being utilized in a covered application. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which evidence is provided that such products are being used in a covered application as described above. For example, if, based on evidence provided by Petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to the A-335 specification is being used in an A-106 application; we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

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

Small Diameter Pipe from Japan and Romania

The products covered by these orders include small diameter seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes and redraw hollows produced, or equivalent, to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and the API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of these orders also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification. Specifically included within the scope of these orders are seamless pipes and redraw hollows, less than or equal to 4.5 inches (114.3 mm) in outside diameter, regardless of wall-thickness, manufacturing process (hot finished or cold drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish.

The seamless pipes subject to these orders are currently classifiable under the subheadings 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025 of the HTSUS.

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

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

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

Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers typically triple or quadruple certify the pipes by meeting the metallurgical requirements and performing the required tests pursuant to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

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

Redraw hollows are any unfinished pipe or "hollow profiles" of carbon or alloy steel transformed by hot rolling or cold drawing/hydrostatic testing or other methods to enable the material to be sold under ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications.

The scope of these orders includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, with the exception of the specific exclusions discussed below, and whether or not also certified to a noncovered specification. Standard, line, and pressure applications and the above-listed specifications are defining characteristics of the scope of the orders. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications shall be covered if used in a standard, line, or pressure application, with the exception of the specific exclusions discussed below.

For example, there are certain other ASTM specifications of pipe, which, because of overlapping characteristics, could potentially be used in ASTM A-106 applications. These specifications generally include ASTM A-161, ASTM A-192, ASTM A-210, ASTM A-252, ASTM A-501, ASTM A-523, ASTM A-524, and ASTM A-618. When such pipes are used in a standard, line, or pressure pipe application, such products are covered by the scope of these orders.

Specifically excluded from the scope of these orders are boiler tubing and mechanical tubing, if such products are not produced to ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications and are not used in standard, line, or pressure pipe applications. In addition, finished and unfinished OCTG are excluded from the scope of these orders, if covered by the scope of another antidumping duty order from the same country. If not covered

by such an OCTG order, finished and unfinished OCTG are included in these scopes when used in standard, line or pressure applications.

With regard to the excluded products listed above, the Department will not instruct CBP to require end-use certification until such time as Petitioner or other interested parties provide to the Department a reasonable basis to believe or suspect that the products are being used in a covered application. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which evidence is provided that such products are being used in covered applications as described above. For example, if, based on evidence provided by Petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to the A-161 specification is being used in a standard, line or pressure application, we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise under these orders is dispositive.[29]

Carbon and alloy seamless, standard, line, and pressure pipe is generally intended to convey liquids and is typically tested and rated for its ability to withstand hydrostatic pressure. Seamless standard pipe is most commonly produced to American Society for Testing and Materials ("ASTM") A-53 specification, and is generally intended for the low pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinklers, and other related uses. Seamless line pipe is produced to the American Petroleum Institute ("API") 5L specification, and is intended for the conveyance of oil and natural gas and other fluids in pipelines. Seamless pressure pipe is commonly produced to ASTM A-106 specification, and is intended for the

[29] *Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan; Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and Romania: Final Results of the Expedited Third Five-Year Sunset Reviews of the Antidumping Duty Orders*, 81 Fed. Reg. 93658, 93659 (Dec. 21, 2016), and accompanying Issues and Decision Memorandum, Section III at 2-7.

conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gases in industrial piping systems.[30]

Small-diameter seamless SLP pipe is most frequently used in petrochemical and other non-pipeline applications. Small-diameter seamless SLP pipe ranging from 0.5 to 1.5 inches outside diameter ("OD") may be used for high-pressure construction applications -- for example, in refineries or chemical plants. Small-diameter seamless SLP pipe with an outside diameter ranging from 2 to 3 inches is typically pressure pipe used for high-pressure industrial applications.[31] Seamless SLP pipe with larger outside diameters (especially pipe with an outside diameter greater than 4.5 inches (corresponding to a nominal pipe size of 4 inches)) is typically line pipe used in gas transmission, as well as in pipeline construction.[32]

1. The Original Investigations

In the original investigations, Commerce defined two classes or kinds of subject merchandise in the scope of the investigations. These were: (1) small-diameter seamless SLP pipe from Japan, Romania, South Africa, and the Czech Republic and (2) large-diameter seamless SLP pipe from Japan and Mexico. The Commission found two domestic like products. These were: (1) small-diameter seamless SLP pipe with an outside diameter less than or equal to 4.5 inches and (2) large-diameter seamless SLP pipe with an outside diameter greater than 4.5 inches but less than 16 inches.[33] At the time, petitioners and Mexican respondents advocated in favor of two domestic like products, and no party asked the Commission to define a single like product that included all seamless SLP pipe regardless of outside diameter.[34]

Notwithstanding some similarities between small-diameter and large-diameter seamless SLP pipe, the Commission found them to be separate like products based on size differences (which it stated was not a distinction generally given much weight in domestic like product analysis); somewhat different end uses and limited interchangeability; different prices; producers' and consumers' perceptions of them as different products; the fact that (with few exceptions) the products were manufactured in different mills with different equipment; the fact that the investigations proceeded on the basis of two separate and distinct scopes for small-diameter and large-diameter pipes; and the fact that no party objected to treating the products separately.[35]

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[30] CR at I-25 to I-26, PR at I-21.

[31] CR at I-27, PR at I-21.

[32] CR at I-27, PR at I-21.

[33] *Original Investigations-Japan*, USITC Pub. 3311 at 7-11

[34] *Original Investigations-Japan,* USITC Pub. 3311 at 7-9. Japanese respondents and importer MC Tubular Company argued that alloy pipes were a different domestic like product than carbon pipes over petitioners' objection. The Commission rejected these arguments. USITC Pub. 3311 at 9-11.

[35] *Original Investigations-Japan*, USITC Pub. 3311 at 8-9.

2. First Five-Year Reviews

In the full first five-year reviews, involving separate orders for small-diameter seamless SLP pipe from Japan, Romania, South Africa, and the Czech Republic and large-diameter seamless SLP pipe from Japan and Mexico, the Commission again defined two separate like products. It found that the record contained no information suggesting that it would be appropriate to reconsider the domestic like product definition from the original investigations, and no interested party disagreed with that definition.[36] Accordingly, consistent with the like product definitions in the original investigations and Commerce's scope, the Commission defined two domestic like products: small-diameter seamless SLP pipe and large-diameter seamless SLP pipe.[37]

3. Second Five-Year Reviews

In the expedited second five-year reviews, the Commission again found that the record contained no information suggesting that it would be appropriate to reconsider the domestic like product definition from the original investigations, and no interested party disagreed with that definition. Accordingly, consistent with the like product definitions in the original investigations, the first five-year review and Commerce's scope, the Commission defined two domestic like products: small-diameter seamless SLP pipe and large-diameter seamless SLP pipe.[38] Nevertheless, four Commissioners expressly noted that, in 2010 original investigations in which there was a more fully developed record, the Commission found small-diameter and large-diameter seamless SLP pipe to be a single domestic like product.[39]

Those investigations concerned imports of certain seamless SLP pipe from China.[40] The scope included a single class or kind of subject merchandise that encompassed seamless SLP pipe less than or equal to 16 inches in outside diameter.[41] In those investigations, petitioners argued in favor of a single domestic like product that was coextensive with Commerce's scope and a respondent argued in favor of two domestic like products: small-diameter and large-diameter seamless SLP pipe.[42] The Commission defined a single domestic like product consisting of all seamless SLP pipe less than or equal to 16 inches in outside diameter that was

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[36] *First Five-Year Reviews*, USITC Pub. 3850 at 5-7.

[37] *First Five-Year Reviews*, USITC Pub. 3850 at 7.

[38] *Second Five-Year Reviews*, USITC Pub. 4262 at 5-6 and I-8.

[39] *Second Five-Year Reviews*, USITC Pub. 4262 at 6 n.21 (Commissioners Okun and Pearson), 6 n.22 (Commissioners Aranoff and Williamson).

[40] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final), USITC Pub. 4190 (Nov. 2010) ("*Original Investigation – SLP China*").

[41] The final scope excluded the following: all pipes meeting aerospace, hydraulic, and bearing-tubing applications; all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; unattached couplings; and certain mechanical, boiler, condenser, and heat-exchange tubing. *Original Investigation – SLP China,* USITC Pub. 4190 at 5-7.

[42] *Original Investigation – SLP China*, USITC Pub. 4190 at 7.

coextensive with Commerce's scope.[43] It found that small-diameter and large-diameter seamless SLP pipe possessed similarities and differences with respect to uses (with all being generally used to transmit fluids or gases under pressure, although smaller diameter pipe tended to be used more intensively in higher-pressure applications) and common manufacturing facilities and employees, but were mostly similar with respect to physical characteristics (except for outside diameter), channels of distribution, manufacturing methods, customer and producer perceptions, and price.[44]

4. The Current Reviews

In their response to the Commission's notice of institution, Domestic Producers agreed with the Commission's domestic like product definitions from the original investigations and prior reviews, but also argued that the Commission should consider defining a single domestic like product comprised of small-diameter and large-diameter seamless SLP pipe.[45] Domestic Producers based their argument on recent industry consolidation by U.S. producers and the fact that the antidumping and countervailing duty orders on seamless SLP pipe from China cover both small-diameter and large-diameter seamless SLP pipe. In their prehearing brief, the Domestic Producers argued that the Commission should continue to find two domestic industries based on two domestic like products.[46] At the Commission's hearing, however, Domestic Producers appeared to accept as appropriate the Romanian Respondent's arguments for a single domestic like product.[47]

In its response to the Commission's notice of institution, TMK-Artrom tentatively agreed with the domestic like product definitions from the original investigations and prior reviews.[48] Silcotub and Tenaris did not object to the domestic like product definitions from the prior proceedings.[49] In its prehearing brief, however, TMK-Artrom argued that there was no longer a clear dividing line between small-diameter and large-diameter seamless SLP pipe, and the Commission should define a single domestic like product as all seamless SLP pipe coextensive with the aggregated scopes of the antidumping duty orders;[50] Tenaris and Silcotub

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[43] *Original Investigation – SLP China*, USITC Pub. 4190 at 9-10.

[44] *Original Investigation – SLP China,* USITC Pub. 4190 at 9-10. In rejecting respondent's argument that there was a clear line at 4.5 inches in outside diameter dividing small-diameter and large-diameter seamless SLP pipe, the Commission observed that its domestic like product determinations are *sui generis* and based on the record of a particular proceeding. *Original Investigation – SLP China*, USITC Pub. 4190 at 7 n.37.

[45] Domestic Producers Response to Notice of Institution (October 3, 2016) ("Domestic Producers Response") at 30-31.

[46] Domestic Producers Prehearing Brief at 4.

[47] Hearing Transcript at 45-46 (Schagrin).

[48] TMK-Artrom Response at 9.

[49] Silcotub Response at 12.

[50] TMK-Artrom Prehearing Brief at 4.

subsequently agreed. In their joint posthearing brief, the Romanian Respondents indicated that they supported a single domestic like product and domestic industry.[51]

5. Analysis

We discuss below whether small-diameter and large-diameter seamless SLP pipe should be a single or separate domestic like products.[52]

Physical Characteristics and Uses. Small-diameter seamless SLP pipe and large-diameter seamless SLP pipe are made to common specifications from identical grades of carbon and alloy steel. Differences in outside diameter size represent the only physical distinction between small-diameter and large-diameter seamless SLP pipe.[53] Responding U.S. producers observed that particular products within categories of small-diameter seamless SLP pipe and large-diameter seamless SLP pipe have different size ranges, which can affect the flow rate.[54]

Both small-diameter and large-diameter seamless SLP pipe are generally used for the transmission of fluids or gas under pressure.[55] U.S. producers reported that small-diameter and large-diameter seamless SLP pipe had similar uses in the chemical, petrochemical, and refinery industries, although large-diameter seamless SLP pipe may be used more intensively in pipeline applications than small-diameter seamless SLP pipe.[56] A majority of both responding producers and purchasers indicated that the small-diameter and large-diameter products are fully or mostly comparable in physical characteristics and uses.[57]

Interchangeability. Most U.S. producers and U.S. purchasers reported that small-diameter seamless SLP pipe and large-diameter seamless SLP pipe generally are not interchangeable due to the size requirements of the finished pipe.[58]

Channels of Distribution. Most U.S. producers and purchasers reported that small-diameter seamless SLP pipe and large-diameter seamless SLP pipe are fully or mostly comparable with respect to channels of distribution.[59] Questionnaire data indicate that the

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[51] Romanian Respondents Posthearing Brief at 4.

[52] In its domestic like product analysis, the Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon Steel Corp. v. United States*, 19 CIT 450, 455 n.4 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[53] *Compare* CR at I-18 to I-21, PR at I-14 to I-17 (scope covering large-diameter seamless SLP pipe) *with* CR at I-21 to I-24, PR I-17 to I-19 (scope covering small-diameter seamless SLP pipe); *see e.g.,* ***.

[54] S*ee e.g.,* ***.

[55] CR at I-19, I-20 to I-21, I-25 to I-27, and IV-9, PR at I-19, I-20, and IV-6.

[56] CR at I-25 to I-26, PR at I-21; s*ee also* ***.

[57] CR at I-33, PR at I-25 and CR/PR at Table I-9.

[58] CR at I-34, PR at I-25 and CR/PR at Table I-9.

[59] CR/PR at Table I-9.

overwhelming majority of both the domestic large-diameter and small-diameter products were sold to distributors during the period of review.[60]

Common Manufacturing Facilities and Production Employees. During the period of review, U.S. Steel, Vallourec, and ArcelorMittal Tubular manufactured both small-diameter seamless SLP pipe and large-diameter seamless SLP pipe in the United States.[61] In their questionnaire responses, U.S. producers generally indicated that the production processes for small-diameter and large-diameter seamless SLP pipe are similar, but that the dimensions of the mill equipment limit the degree of overlap on the same production lines.[62] They also report that employees working in small-diameter and large-diameter seamless SLP pipe production facilities may have similar backgrounds and skills.[63] U.S. purchasers also noted a general similarity in production processes.[64] All responding U.S. producers that produced large-diameter SLP pipe in 2016 also produced small-diameter SLP pipe in 2016. There are, however, six U.S. producers that produced small-diameter seamless SLP pipe in 2016, but not large-diameter seamless SLP pipe.[65] U.S. producers and purchasers provided mixed responses as to the comparability of manufacturing facilities and production employees for small-diameter and large-diameter seamless SLP pipe, with pluralities reporting that they were somewhat comparable.[66]

Producer and Customer Perceptions. A plurality of U.S. producers and a majority of purchasers reported perceptions that small-diameter and large-diameter seamless SLP pipe were fully or mostly comparable.[67] There were some purchaser statements that perceptions of small-diameter and large-diameter seamless SLP pipe were dependent upon the dimensions required for a particular end-use application.[68]

Price. Pluralities of U.S. producers and purchasers found small-diameter and large-diameter seamless SLP pipe somewhat comparable as to price.[69] Average unit values on a per-short-ton basis for 2016 commercial shipments of domestically produced product were *** percent higher for small-diameter seamless SLP pipe than for large-diameter seamless SLP pipe.[70] Nevertheless, the pricing data indicate some overlap in prices,[71] as domestically

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

[61] CR/PR at Table I-10. U.S. producer *** also produced large-diameter seamless SLP pipe in 2014 and 2015, but only produced small-diameter seamless SLP pipe in 2016. CR at I-37 n.59, PR at I-27 n.59.

[62] *See e.g.,* *** and ***.

[63] *See e.g.,* *** and ***.

[64] *See e.g.,* ***.

[65] CR/PR at Table I-10.

[66] CR/PR at Table I-9.

[67] CR/PR at Table I-9.

[68] *See e.g.,* ***.

[69] CR/PR at Table I-9.

[70] CR at I-36, PR at I-27.

[71] *Compare* price data for products 2, 3, 5, and 6 (multiple-stenciled pipe in nominal sizes between 3 inches and 8 inches).

produced large-diameter seamless SLP pipe pricing products had higher prices than some small-diameter seamless SLP pipe pricing products.[72]

Conclusion. We find that the record in these reviews does not indicate that 4.5 inches outside diameter line provides a clear dividing between different types of domestically produced seamless SLP pipe products. With respect to one of the domestic like product factors, channels of distribution, there are clear similarities between small-diameter and large-diameter seamless SLP pipe. With respect to another factor, interchangeability, there are clear distinctions. While there are both similarities and distinctions with respect to the remaining factors, we find on balance that the similarities are stronger.

Small-diameter seamless SLP pipe and large-diameter seamless SLP pipe share nearly all physical characteristics and are made to common specifications from identical grades of carbon and alloy steel. Differences in outside diameter size represent the only physical distinction between small-diameter and large-diameter seamless SLP pipe, but that factor is also present between different products within the small-diameter and large-diameter groups. Both small diameter pipe and large diameter pipe are generally used for the transmission of fluids or gas under pressure.

Domestic producers accounting for a substantial portion of seamless SLP pipe production manufactured both small-diameter and large-diameter pipe.[73] Prices for seamless SLP pipe vary based on a number of factors, although there is an overlap in prices between small-diameter and large-diameter products. A slight majority of market participants had perceptions that the small-diameter and large-diameter products were at least mostly comparable.

Therefore, we find that the more developed record in these reviews supports adopting a different domestic like product definition than we have defined in the prior proceedings; we also observe that none of the parties has advocated a consistent view on this issue. Consequently, we define a single domestic like product consisting of all seamless SLP pipe no greater than 16 inches outside diameter.

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."[74] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

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[72] *Compare* CR/PR at Table V-6 *with id*. at Tables V-4 and V-5.

[73] CR/PR at Table I-10.

[74] 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.

In the original investigations, the full first five-year reviews, and the expedited second five-year reviews, the Commission found two domestic industries, consistent with the two domestic like products, consisting of all producers of small-diameter seamless SLP pipe and all producers of large-diameter seamless SLP pipe.[75] In these reviews, Domestic Producers state that they support the definitions of the domestic industries used by the Commission in prior proceedings based on findings of two domestic like products.[76] Romanian Respondents state that the Commission should find one domestic industry comprised of all domestic producers of both small-diameter and large-diameter seamless SLP pipe, consistent with their position that there is one domestic like product consisting of small-diameter and large-diameter seamless SLP pipe.[77] We define, consistent with our like product determination above, a single domestic industry.

We must also determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry any producer that is related an exporter or importer of subject merchandise, or are themselves importers.[78] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[79] The Commission did not exclude any producer from the domestic industry as a related party under 19 U.S.C. § 1677(4)(B) in any of the prior proceedings.[80]

In these reviews, domestic producer *** is a related party under 19 U.S.C. § 1677 (4)(B)(i) because its affiliated importer, ***, imported subject small-diameter seamless SLP pipe

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[75] *Original Determinations*, USITC Pub. 3311 at 7-9; *First Five-Year Reviews*, USITC Doc. 3850, at 6-7; *Second Five-Year Reviews*, USITC Pub. 4250 at 5.

[76] *See* Domestic Producers Prehearing Brief at 4-5.

[77] TMK-Artrom Prehearing Brief at 4.

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

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

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

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

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

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

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

[80] *See Original Investigations-Japan*, USITC Pub. 3311 at 12; *Original Investigations-Romania*, USITC Pub. 3325 at 4; *First Five-Year Reviews*, USITC Pub. 3850 at 7-8; *Second Five-Year Reviews*, USITC Pub. 4262 at 7.

from Romania, although *** did not itself import any subject merchandise.[81] *** imported *** short tons in 2014 of subject merchandise, *** short tons in 2015, and *** short tons in 2016. It also imported *** short tons in January-March ("interim") 2016, but did not import any subject merchandise in interim 2017.[82]

*** accounted for *** percent of production of the domestic like product in 2016.[83] It produced *** short tons of small-diameter seamless SLP pipe in 2014, *** short tons in 2015, *** short tons in 2016, *** short tons in interim 2016 and *** short tons in interim 2017.[84] It *** and ***.[85]

The relatively small size of imports of subject merchandise by *** relative to *** domestic production of the domestic like product indicates that *** primary interest is in domestic production, and no party has argued that *** should be excluded from the domestic industry.

We accordingly find that appropriate circumstances do not exist to exclude *** from the domestic industry. We therefore define a single domestic industry consisting of all domestic producers of seamless SLP pipe with an outside diameter not exceeding 16 inches.

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.[86]

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[81] CR/PR at Table I-11; and CR at III-12, PR at III-8. *** is also affiliated with the Romanian producer/exporter of small-diameter seamless SLP pipe ***. CR/PR at Table I-11. Domestic producer ArcelorMittal Tubular has common ownership with ArcelorMittal Romania, which produced subject merchandise in Romania during the period of review. CR at IV-27, PR at IV-11, CR/PR at Table I-11. Because ArcelorMittal Romania did not export subject merchandise to the United States during the period of review, however, ArcelorMIttal Tubular is not a related party. CR/PR at Table IV-15; ***.

[82] CR/PR at Table III-12.

[83] Calculated from CR/PR at Tables I-10, C-1, and C-2.

[84] CR/PR at Tables I-10 and III-12. *** did not produce large-diameter SLP pipe. CR/PR at Table I-10.

[85] ***.

[86] 19 U.S.C. § 1675a(a)(7).

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[87] 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.

The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: September 1, 2016.[88]

B. Arguments of the Parties

1. Domestic Producers' Arguments

Domestic Producers request that the Commission exercise its discretion in these reviews to cumulatively assess subject imports of small-diameter seamless SLP from Japan and Romania. Domestic Producers argue that the record indicates revocation of the antidumping duty orders on small-diameter seamless SLP pipe from Japan and Romania would likely have a discernible adverse impact on the domestic industry.[89]

With respect to the likely reasonable overlap of competition, Domestic Producers assert that the record before the Commission contains no new information suggesting that the Commission's prior findings concerning fungibility, simultaneous presence, and likely overlaps in channels of distribution and presence in geographic markets are no longer applicable.[90] In their posthearing brief, Domestic Producers observe that the arguments made by the Romanian Respondents concerning the likely conditions of competition essentially involve conditions of

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[87] 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).

[88] 81 Fed. Reg. 60343 (Sept. 1, 2016). Because we have defined a single domestic like product consisting of both small-diameter and large-diameter seamless SLP pipe, subject imports of small-diameter seamless SLP pipe from Japan and Romania and large-diameter seamless SLP pipe from Japan are all eligible for cumulation because they are subject to reviews initiated on the same day and correspond to the domestic like product. *See* 19 U.S.C. § 1675a(a)(7).

[89] Domestic Producers Prehearing Brief at 5-13.

[90] Domestic Producers Prehearing Brief at 6-7.

competition in Romania and are not arguments about the likely conditions of competition between imports of small-diameter seamless SLP from Japan and Romania in the U.S. market.[91]

2. Romanian Respondents' Arguments

Romanian Respondents request that the Commission exercise its discretion not to cumulate subject imports of small-diameter seamless SLP pipe from Romania with subject imports from Japan. They argue that there will be no likely discernible adverse impact if the antidumping duty order on subject imports from Romania is revoked because the Romanian industry has little current presence in the U.S. market, minimal capacity and high capacity utilization rates, is focused on manufacturing higher value out-of-scope seamless pipe products, such as ***, and has contractual commitments to longstanding customers elsewhere, particularly in the European Union ("EU") and the Middle East, that make the shifting of production or exports prohibitive.[92] They further argue that all three Romanian producers are affiliated with U.S. companies and consequently would not export seamless SLP pipe to the United States in competition with these firms.[93]

Romanian Respondents also allege that there is not a likely reasonable overlap of competition between subject imports from Romania and Japan. They argue that, even if the imports are fungible, present in the same geographic markets, same channels of distribution, and simultaneously present with the domestic like product and imports from Japan, that the likely volumes of subject imports from Romania would be too small to be commercially meaningful.[94]

Romanian Respondents also argue that subject imports from Romania would face significant differences in likely conditions of competition than subject imports from Japan in light of differences in the relative sizes between the industries in Japan and Romania.[95] Also, they assert that the Romanian industry is focused on servicing its longstanding customers in markets other than the United States and on the production of high-value out-of-scope seamless pipe products.[96]

C. Original Investigations and Prior Reviews

Original Investigations. In the original investigations, the Commission cumulated subject imports from the Czech Republic, Japan, Romania, and South Africa for purposes of its analysis of the small-diameter seamless SLP pipe industry. The Commission found that the record indicated general fungibility among the subject imports and between the subject

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[91] Domestic Producers Posthearing Brief at 14.
[92] TMK-Artrom Prehearing Brief at 5-6; Silcotub Prehearing Brief at 10-13.
[93] Silcotub Prehearing Brief at 14.
[94] Silcotub Prehearing Brief at 15-16.
[95] Silcotub Prehearing Brief at 17-19.
[96] Silcotub Prehearing Brief at 20-22.

imports and the domestic like product, similar channels of distribution, geographic overlap in at least the Gulf region, and the simultaneous presence of subject imports in the U.S. market.[97]

First Five-Year Reviews. In the first five-year reviews, four Commissioners decided not to exercise their discretion to cumulate subject imports of small-diameter seamless SLP pipe from Japan with any other subject imports, including small-diameter seamless SLP pipe from Romania,[98] whereas two Commissioners exercised their discretion to cumulate subject imports of small-diameter seamless SLP pipe from Japan not only with small-diameter seamless SLP pipe from Romania but also with small-diameter seamless SLP pipe from all other countries then subject to review.[99] One Commissioner who made an affirmative determination with respect to small-diameter seamless SLP pipe from Romania considered those imports separately.[100]

Second Five-Year Reviews. In the expedited second five-year reviews, the Commission found that imports of small diameter seamless SLP pipe from Japan and Romania were not likely to have no discernable adverse impact on the domestic industry if the orders were revoked. It emphasized the large production capacity, excess capacity, and export orientation of the industry in each subject country.[101] It found a reasonable overlap of competition between the subject imports from Japan and Romania and between those imports and the domestic like product, stating that there was no record information indicating that they were any less fungible than in the original investigations and the first five-year reviews. The Commission also found that the available information suggested a likely overlap in terms of channels of distribution and a likelihood that the domestic like product and subject imports of small-diameter seamless SLP pipe from Japan and Romania would be simultaneously present in overlapping geographic markets in the United States.[102] The Commission found no indication that conditions of competition would be significantly different for subject imports from Japan and Romania if the orders were revoked and accordingly, exercised its discretion to cumulate subject imports of small-diameter seamless SLP pipe from Japan and Romania.[103]

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[97] *Original Investigations-Japan*, USITC Pub. 3311 at 16; *Original Investigations-Romania*, USITC Pub. 3325 at 3-4. The Commission cumulation analysis regarding small-diameter seamless SLP pipe reflected the views of Chairman Okun and Commissioners Bragg, Miller, and Koplan. USITC Pub. 3311 at cover, 1-3, 16.

[98] *First Five-Year Reviews*, USITC Pub. 3850 at 17-18 (Commission Opinion).

[99] *First Five-Year Reviews*, USITC Pub. 3850 at 77 (Commissioners Koplan and Lane).

[100] *First Five-Year Reviews*, USITC Pub. 3850 at 66-68 (Commissioner Aranoff).

[101] *Second Five-Year Reviews*, USITC Pub. 4262 at 20-21.

[102] *Second Five-Year Reviews*, USITC Pub. 4262 at 21.

[103] *Second Five-Year Reviews*, USITC Pub. 4262 at 22.

D. Likelihood of No Discernible Adverse Impact[104]

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.[105] 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 determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[106] 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 orders under review takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

1. Small-Diameter Seamless SLP Pipe from Romania

During the original period of investigation, the quantity of U.S. shipments of subject imports of small-diameter seamless SLP pipe from Romania declined from *** short tons in 1997 to *** short tons in 1998 and *** short tons in 1999. In the first five-year reviews, the volume of subject imports from Romania increased over the period of review from *** short tons in 2000 to *** short tons in 2004.[107] In the second five-year reviews, the volume of subject imports from Romania declined from *** short tons in 2005 to *** short tons in 2010.[108] In these reviews, the quantity of U.S. shipments of subject small-diameter seamless SLP pipe from Romania was *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016.[109] The market penetration of subject imports from Romania ranged from *** percent to *** percent during the period of review.[110]

In these reviews, three subject Romanian producers, TMK-Artrom, Silcotub, and ArcelorMittal Romania, submitted questionnaire responses. Reported annual production capacity for subject producers during the period of review decreased from *** short tons in

[104] Commissioner Broadbent finds that imports of seamless SLP pipe from Romania are likely to have no discernible adverse impact, and imports of seamless SLP pipe (small-diameter and large-diameter) from Japan are not likely to have no discernible adverse impact. *See* Additional and Dissenting Views of Commissioner Broadbent.

[105] 19 U.S.C. § 1675a(a)(7).

[106] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

[107] *First Five-Year Reviews*, USITC Pub. 3850 at 13.

[108] *First Five-Year Reviews*, USITC Pub. 3850 at 13.

[109] CR/PR at Table IV-1. The quantity of subject imports from Romania was *** short tons in interim 2016 and *** short tons in interim 2017. *Id*.

[110] CR/PR at Table I-16. The U.S. market share of subject imports from Romania was *** percent in interim 2016 and interim 2017. *Id*.

2014 to *** short tons in 2015 and then to *** short tons in 2016.[111] The decline in capacity between 2015 and 2016 was largely due to ArcelorMittal Romania's October 2015 shutdown of its small-diameter seamless SLP pipe mill.[112] The industry's capacity utilization decreased from *** percent in 2014 to *** percent in 2015, before increasing to *** percent in 2016.[113] Thus, even after the closure of ArcelorMittal's seamless SLP pipe facility, the Romanian industry still retained almost *** short tons of excess capacity in 2016. Reported end-of-period inventories of seamless SLP pipe in Romania were *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016.[114]

The record indicates that the industry in Romania is highly export oriented. Total exports of small-diameter seamless SLP pipe from Romania reported by subject producers decreased from *** short tons in 2014 to *** short tons in 2015 and to *** short tons in 2016, total exports as a percentage of shipments increased from *** percent in 2014 to *** percent in 2015, before decreasing to *** percent in 2016.[115]

The EU was the primary export market for the subject industry in Romania during the period of review, but an appreciable share of the overall shipments of this industry were directed to export markets other than the EU. This share was *** percent in 2014, *** percent in 2015, and *** percent in 2016.[116] Additionally, official Romanian export statistics indicate that the United States was one of Romania's top five export markets for seamless line pipe from 2014 to 2016, indicating that Romanian producers have displayed an interest in supplying the U.S. market with out-of-scope line pipe products.[117]

Given that the Romanian industry producing seamless SLP pipe has some excess capacity and available inventories, as well as an overall export orientation and substantial exports to non-EU markets, the record does not support the proposition that subject producers in Romania lack the ability to increase exports to the United States upon revocation of the antidumping duty order on small-diameter seamless SLP pipe from Romania. We consequently

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[111] CR/PR at Table IV-16. Capacity was *** short tons in interim 2016 and *** short tons in interim 2017. *Id*.

[112] CR at IV-27, PR at IV-11.

[113] CR/PR at Table IV-16. It was *** percent in interim 2016 and *** percent in interim 2017. *Id*. The industry's capacity utilization for production using the same equipment as out-of-scope products increased from *** percent in 2014 to *** percent in 2015 to *** percent in 2016. It was *** percent in interim 2016 and *** percent in interim 2017.

[114] CR/PR at Table IV-16. Reported end-of-period inventories were *** short tons in interim 2016 and *** short tons in interim 2017. *Id*.

[115] CR/PR at Table IV-16. Total exports as a percentage of shipments were *** percent in interim 2016 and *** percent in interim 2017. *Id*.

[116] CR/PR at Table IV-16. The percentage of total shipments that subject producers in Romania exported to markets other than the EU was *** percent in interim 2016 and *** percent in interim 2017. *Id*.

[117] CR/PR at Table IV-19. The subject producers in Romania predominantly produce out-of-scope products at their mills. CR/PR at Table IV-17.

conclude that revocation of this order is not likely to have no discernible adverse impact on the domestic industry.

2. Small-Diameter Seamless SLP Pipe from Japan[118]

During the original period of investigation, the quantity of U.S. shipments of subject imports of small-diameter seamless SLP pipe from Japan increased from *** short tons in 1997 to *** short tons in 1998, before declining to *** short tons in 1998. In the first five-year reviews, the quantity of U.S. imports of small-diameter seamless SLP pipe from Japan declined from *** short tons in 2000 to *** short tons in 2004. In the second five-year reviews, the quantity of U.S. imports of small-diameter seamless SLP pipe from Japan increased from 227 short tons in 2005 to 3,678 short tons in 2010. In these reviews, the quantity of U.S. imports of small-diameter seamless SLP pipe from Japan decreased from *** short tons in 2014 to *** short tons in 2015, before increasing to *** short tons in 2016. The market penetration of subject imports from Japan ranged from *** percent in 2014 to *** percent in 2016.[119]

No subject Japanese producer submitted a questionnaire response with useable data in these reviews. According to information from the World Steel Association ("WSA"), estimated Japanese production of seamless tubes declined from 2.5 million short tons in 2011 to 1.9 million short tons in 2015.[120] In the second five-year reviews, the Commission found that the facts available, which consisted largely of information from the original investigations and first five-year reviews, indicated that the subject industry in Japan producing small-diameter seamless SLP pipe had excess capacity and was export oriented.[121] These remain the facts available in the current five-year reviews for small-diameter seamless SLP pipe.

According to official Japanese export statistics, total Japanese exports of seamless line pipe (all sizes) declined from 237,315 short tons in 2014 to 171,645 short tons in 2015, and to 161,074 short tons in 2016. These data show that exports of seamless line pipe from Japan to the United States increased from 13,147 short tons in 2014 to 35,752 short tons in 2015, before declining to 13,445 short tons in 2016. According to those data, the largest export destinations

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[118] Commission practice has been to address no discernible adverse impact on an order-specific basis when subject imports from a single source are subject to multiple orders that are not coterminous. *See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom*, Inv. Nos. 701-TA-381-382 and 731-TA-797-804 (Review), USITC Pub. 3788 at 13 (July 2005).

[119] CR/PR at Table IV-1. Subject imports were *** short tons in interim 2016 and *** short tons in interim 2017. During both interim periods market penetration was *** percent. *Id.*

[120] CR at IV-35 to IV-36 and n.25, PR at IV-17 and n.25. These data include a variety of seamless pipe products, regardless of size and hence may include certain types of large-diameter as well as small-diameter seamless SLP pipe.

[121] *Second Five-Year Reviews*, USITC Pub. 4262 at 20.

for seamless line pipe from Japan in 2016 were India, Indonesia, and the United Arab Emirates.[122]

Based on the foregoing, we do not find that revocation of the antidumping duty order on small-diameter seamless SLP pipe from Japan would likely have no discernible adverse impact on the domestic industry.

3. Large-Diameter Seamless SLP Pipe from Japan

During the original period of investigation, the quantity of U.S. shipments of subject imports of large-diameter seamless SLP pipe from Japan increased from *** short tons in 1997 to *** short tons in 1998 and to *** short tons in 1999.[123] In the first five-year reviews, the quantity of U.S. shipments of subject imports from Japan declined from *** short tons in 2000 to *** short tons in 2004.[124] In the second five-year reviews, the quantity of subject imports from Japan increased from *** short tons in 2004 to *** short tons in 2010.[125] In these reviews, U.S. imports of large-diameter seamless SLP pipe from Japan increased from *** short tons in 2014 to *** short tons in 2015, before declining to *** short tons in 2016.[126] The market penetration of subject imports from Japan was *** percent throughout the current period of review.[127]

As indicated above, no subject Japanese producer submitted a questionnaire response with useable data in these reviews. In the second reviews, the Commission explained that the record indicated that there were four current producers of large-diameter seamless SLP pipe in Japan and that there was no evidence of significant changes in the structure of the industry since the original investigations, when the industry had excess capacity and was export oriented.[128] These remain the facts available in the current reviews on large-diameter seamless SLP pipe from Japan. Available current data concerning the large-diameter seamless SLP pipe industry in Japan was presented in section IV.D.2 above.

Based on the foregoing, we do not find that subject imports of large-diameter seamless SLP pipe from Japan would likely have no discernible adverse impact on the domestic industry if the antidumping duty order on large-diameter seamless SLP pipe from Japan were revoked.

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[122] CR/PR at Table IV-21. Although limited to seamless line pipe, these data include all such pipe regardless of size and thus may include out-of-scope products. CR at IV-38 n.27, PR at IV-18 n.27.

[123] Memorandum INV-X-114 (May 25, 2000), EDIS Doc. 594450 at Table IV-4.

[124] Memorandum INV-DD-036 (Mar. 28, 2006), EDIS Doc. 594455 at Table I-13.

[125] Memorandum INV-JJ-082, EDIS Doc. at 594471 at Table I-7.

[126] CR/PR at Table IV-2. U.S. imports of large-diameter seamless SLP pipe from Japan were *** short tons in interim 2016 and *** short tons in interim 2017. *Id*.

[127] CR/PR at Table I-16.

[128] *Second Five-Year Reviews*, USITC Pub. 4262 at 14-15.

E. Likely Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[129] Only a "reasonable overlap" of competition is required.[130] 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.[131]

Fungibility. In comparisons of the interchangeability among subject imports of small-diameter seamless SLP pipe from Japan and Romania and the domestically produced product, all reporting U.S. producers and a majority of U.S. importers and purchasers found small-diameter seamless SLP pipe from each of these three sources were either "always" or "frequently" interchangeable.[132] In comparisons of the interchangeability among subject imports of large-diameter seamless SLP pipe from Japan and the domestically produced product, all reporting U.S. producers and a majority of U.S. importers and purchasers found that these products were either "always" or "frequently" interchangeable.[133]

The majority of responding purchasers reported that small-diameter seamless SLP pipe from Japan was comparable to domestically produced small-diameter seamless SLP pipe with respect to 13 of 14 non-price purchasing factors. The majority of responding purchasers also reported that small-diameter seamless SLP pipe from Romania was comparable to domestically produced small-diameter seamless SLP pipe with respect to 13 of 14 factors. Moreover, the majority of responding purchasers reported that small-diameter seamless SLP pipe from Japan

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[129] 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 from different countries 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).

[130] *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).

[131] *See generally*, *Chefline Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

[132] CR/PR at Table II-15.

[133] CR/PR at Table II-16.

and Romania were comparable in 12 of 14 factors.[134] Majorities or pluralities of responding purchasers reported that large-diameter seamless SLP pipe from Japan and domestically produced large-diameter seamless SLP pipe were comparable in all 14 factors.[135]

Channels of Distribution. During the period of review, U.S. producers' sales of small-diameter seamless SLP pipe were primarily to distributors with increasing sales to end users at the end of the period.[136] Importers of subject small-diameter seamless SLP pipe from Romania sold almost exclusively to end users with increasing sales to distributors at the end of the period.[137] During the period of review, U.S. producers' sales of large-diameter seamless SLP pipe were primarily to distributors with increasing sales to end users at the end of the period.[138]

Geographic Overlap. During the period of review, U.S. producers reported selling both small-diameter and large-diameter seamless SLP pipe to all regions in the United States. Importers of subject merchandise from Romania reported selling small-diameter seamless SLP pipe to the Northeast, Midwest, Southwest, and Central Southwest.[139]

Simultaneous Presence in the Market. During the period January 2014 through March 2017, domestically produced small-diameter seamless SLP pipe and large-diameter seamless SLP pipe were present in the U.S. market in all 13 quarters.[140] Subject imports of small-diameter seamless SLP pipe from Romania were present in 12 of 41 months. Subject imports of small-diameter seamless SLP pipe from Japan were present in 13 of 41 months.[141] Subject imports of large-diameter seamless SLP pipe from Japan were present in 8 of 41 months.[142]

Conclusion. The record supports a finding that subject imports of seamless SLP pipe from Japan and Romania are sufficiently fungible with each other and the domestic like product to satisfy the "reasonable overlap" standard. In light of the finding that subject imports from each source will be sufficient to have a likely discernible adverse impact on the domestic industry, upon revocation, the overlap in channels of distribution and geographic markets among the subject imports from Romania and Japan and the domestic like product, as well as the simultaneous presence in the market, observed during the original investigations will likely recur. In light of the foregoing, we find there will likely be a reasonable overlap of competition between the domestic like product and subject imports of seamless SLP pipe for Japan and Romania and between subject imports of seamless SLP pipe from each country, upon revocation.[143]

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

[135] CR/PR at Table II-14.

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

[137] CR/PR at Table II-1. No data were reported for subject imports from Japan. *Id*. at note.

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

[139] CR at II-2, PR at II-1, and CR/PR at Table II-3. No data were reported for subject imports from Japan. *Id*. at note.

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

[141] CR/PR at Table IV-9.

[142] CR/PR at Table IV-10.

[143] We observe that Romanian Respondents' arguments concerning lack of likely reasonable overlap of competition between subject imports from Japan and Romania focus on their argument that the (Continued…)

F. Likely Conditions of Competition

We next consider whether subject imports of seamless SLP pipe from Japan and Romania are likely to compete under different conditions of competition in the U.S. market. There are a number of similarities between the seamless SLP pipe industries in Japan and Romania. The industries in both countries have substantial capacity and excess capacity.[144] The industries in Japan and Romania have a substantial degree of export orientation.[145] The industries in both countries have shown a continuing interest in the U.S. market since the imposition of the antidumping duty orders.[146]

While the Romanian Respondents assert that the subject industry in Romania is smaller and has fewer seamless SLP pipe producers and exporters than Japan,[147] there is no indication that any such differences would result in subject imports from Japan and Romania competing differently in the U.S. market in the event of revocation. Similarly, while Romanian Respondents assert that there were differences in the level of capacity and capacity utilization between the subject Romanian industry and the Japanese industry,[148] we have already found, as previously discussed, that the record indicates that both Romanian and Japanese industries have substantial capacity and excess capacity.

Romanian Respondents also assert that their likely participation in the U.S. market will be minimal because the industry devotes its production efforts to high-value products (such as out-of-scope boiler tubing and mechanical tubing) and to the servicing of *** in the EU and Middle East.[149] While the record indicates that the EU was the principal export market for

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(…Continued)
likely volume of subject imports from Romania would be small upon revocation and do not concern any of the four factors that the Commission typically examines in a likely reasonable overlap of competition analysis. *See* Silcotub Prehearing Brief at 15-16.

[144] The record shows that Romanian producers of seamless SLP pipe had approximately *** short tons of excess capacity in 2016. CR/PR at Table IV-16. The Commission does not have questionnaire response data on the capacity of the Japanese seamless SLP pipe industry. As previously stated, the facts available indicate that the industries in Japan have unused capacity.

[145] The record shows that the Romanian industry is highly export oriented. The Romanian industry's ratio of export shipments to total shipments during the period of review was *** percent in 2014, *** percent in 2015, and *** percent in 2016. CR/PR at Table IV-16. The share of export shipments to total shipments was *** percent in interim 2016 and *** percent in interim 2017. *Id*. The record also shows that the Japanese industry is export oriented; as noted above, available data indicate that the Japanese industry is the third largest exporter of seamless line pipe in the world. CR/PR at Table IV-23.

[146] As noted, subject imports of seamless SLP pipe have remained in the U.S. market since the imposition of the antidumping duty orders, including during the current period of review, although at much lower levels than in the original investigations. CR/PR at Tables IV-1 and IV-2. Moreover, official export statistics show that the United States was a leading market for exports of seamless line pipe from Japan and Romania; these exports likely reflect out-of-scope products. CR/PR at Tables IV-19 and IV-21.

[147] Silcotub Prehearing Brief at 17-19 and Posthearing Brief at 9-10 and Exhibit 1.

[148] Silcotub Prehearing Brief at 17-19 and Posthearing Brief at 9-10 and Exhibit 1.

[149] TMK-Artrom Prehearing Brief at 14 and Exhibit 1; Silcotub Prehearing Brief at 4; and Romanian Respondents Posthearing Brief at 10-11. *See also* ***, Foreign Producer Questionnaire Response, EDIS
(Continued…)

subject producers in Romania during the period of review, it does not indicate the existence of *** in that market. To the contrary, the available data indicates the sales of subject seamless SLP pipe from Romania to customers in the EU are concentrated in the spot market.[150] In addition, the record also shows that a significant quantity of Romanian export shipments of subject merchandise are made to a variety of markets in Asia and other regions, exclusive of the United States and the EU, and that the quantities of these shipments to these other markets fluctuated over the period of review.[151] Finally, notwithstanding Romanian Respondents' assertion that the existence of U.S. affiliates is a condition of competition that distinguishes the Romanian industry from those in Japan,[152] there is no indication in the record that these U.S. affiliates have any control over subject imports from Romania. Moreover, the U.S. affiliates of subject Romanian producers account for only a small percentage of the U.S. domestic industry's production.[153] Thus, the record does not indicate that subject imports of seamless SLP pipe from Romania will likely compete under different conditions of competition than subject imports of seamless SLP pipe from Japan.

Consequently, we determine that the subject imports of seamless SLP pipe from Japan and Romania are not likely to have no discernible adverse impact on the domestic industry in the event of revocation and that there would likely be a reasonable overlap of competition between and among the subject imports from Japan and Romania and the domestic like product. We also determine that subject imports from Japan and Romania would be likely to compete under similar conditions of competition upon revocation of the antidumping duty orders. Accordingly, for the reasons discussed above, we exercise our discretion to cumulate subject imports of seamless SLP pipe from Japan and Romania.

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

A. Legal Standards

In a five-year review 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

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(…Continued)
Doc. 614378, Section II-12 and *** Foreign Producer Questionnaire Response, EDIS Doc. 614395, Section III-12.

[150] *See, e.g.,* *** Foreign Producer Questionnaire Response, EDIS Doc. 614378, Section III-2 and *** Foreign Producer Questionnaire Response, EDIS Doc. 614395, Section III-2 (***).

[151] CR/PR at Table IV-16. In addition to the EU, Romanian producers identified a wide variety of other "principal markets" for their exports of seamless SLP pipe in Asia (***) and elsewhere (***). *See* ***, Foreign Producer Questionnaire Response, EDIS Doc. 614378, Section II-14a and *** Foreign Producer Questionnaire Response, EDIS Doc. 614395, Section II-14a.

[152] Silcotub Prehearing Brief at 14, 17, and 22-23.

[153] *See* CR/PR at Tables I-10, I-11, III-4, and III-6.

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."[154] 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."[155] Thus, the likelihood standard is prospective in nature.[156] 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.[157]

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."[158] 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."[159]

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

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[154] 19 U.S.C. § 1675a(a).

[155] SAA at 883-84. 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.

[156] 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.

[157] *See NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), *aff'd mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion;" "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[158] 19 U.S.C. § 1675a(a)(5).

[159] 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*.

imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[160] 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).[161] 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.[162]

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.[163] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[164]

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.[165]

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

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[160] 19 U.S.C. § 1675a(a)(1).

[161] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings or anti-circumvention findings nor has it conducted any changed circumstances reviews or scope inquiry reviews since the imposition of the antidumping duty orders. *See* CR at I-14 n.22, PR at I-10 n.22.

[162] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[163] 19 U.S.C. § 1675a(a)(2).

[164] 19 U.S.C. § 1675a(a)(2)(A-D).

[165] *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.

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.[166] 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.[167]

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[168]

1. The Original Investigations and Prior Five-Year Reviews

Small-Diameter Seamless SLP Pipe. In the original investigations, the Commission found that demand for small-diameter seamless SLP pipe depended on activities in the oil and gas sectors, industrial construction/reconstruction, and facility repair and maintenance (especially at petrochemical and refinery installations). It found a moderately high degree of substitutability among subject imports and the domestic like product, although it recognized that differences in lead times, product quality, and presence on approved manufacturers' lists could limit substitutability.[169] A significant number of purchasers did not rely on approved manufacturer listings. Purchasers rated quality as the most important factor in choosing suppliers, but also ranked price as important.[170] The Commission also found that most common grades were multi-stenciled to industry standards, which lessened the significance of quality differences.[171]

In the first five-year reviews, the Commissioners wrote in separate groups concerning the conditions of competition, dependent mainly on their respective analyses regarding cumulation. There were common findings that, during the original investigations, demand as

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[166] 19 U.S.C. § 1675a(a)(4).

[167] 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.

[168] 19 U.S.C. § 1675a(a)(4).

[169] *Original Investigations*, USITC Pub. 3311 at 16.

[170] *Original Investigations*, USITC Pub. 3311 at 16-17.

[171] *Original Investigations*, USITC Pub. 3311 at 17.

measured by apparent U.S. consumption declined from 267,927 short tons in 1997 to 152,502 short tons in 1999. During the first review period, apparent U.S. consumption fluctuated. It was *** short tons in 2001, *** short tons in 2002, *** short tons in 2003, and *** short tons in 2004. The U.S. market was supplied by subject imports, nonsubject imports, and the domestic industry, with the domestic industry's market share declining overall during the review period from *** percent in 2000 to *** percent in 2004. The Commission also acknowledged that the domestic industry consolidated operations during the review period.[172]

Large-Diameter Seamless SLP pipe. Although large-diameter seamless SLP pipe is also used in some industrial applications, the Commission found in the original investigations that demand for large-diameter seamless SLP pipe was more closely linked to oil and gas activity levels than small-diameter seamless SLP pipe. The Commission found that subject imports were substitutable for the domestic like product to a moderately high degree, and became more substitutable over the period of investigation.[173]

In the first five-year reviews, the Commissioners wrote in separate groups concerning the conditions of competition, dependent mainly on their findings regarding cumulation. There were common findings that, during the original investigations, demand as measured by apparent U.S. consumption declined from 375,084 short tons in 1997 to 293,151 short tons in 1999. During the first review period, apparent U.S. consumption fluctuated. It was *** short tons in 2001, *** short tons in 2002, *** short tons in 2003, and *** short tons in 2004. The U.S. market was supplied by subject imports, nonsubject imports, and the domestic industry, with the domestic industry's market share rising overall during the review period from *** percent in 2000 to *** percent in 2004. The domestic industry consolidated operations during the review period.[174]

Second Five-Year Review. In the second five-year reviews, the Commission had a single discussion of the conditions of competition for both large-diameter and small-diameter seamless SLP pipe. With respect to demand, the Commission found that demand for large-diameter and small-diameter seamless SLP pipe was derived from demand for the various applications in which seamless SLP pipe was used, including construction, industrial, and oil and gas applications. It found that U.S. demand for large-diameter seamless SLP pipe declined substantially since the first reviews because of the severe economic downturn, and that U.S. demand for small-diameter seamless SLP pipe followed similar trends.[175]

With respect to supply, the Commission found that the U.S. market for large-diameter seamless SLP pipe was supplied by domestic producers, subject imports from Japan, and nonsubject imports during the period of review. The domestic industry had consolidated since

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[172] *First Five-Year Reviews*, USITC Pub. 3850 at 21-23; Confidential First Five-Year Reviews, EDIS Doc. 594474 at 31-35, Confidential Separate First Five-Year Views of Commissioners Lane and Koplan, EDIS Doc. 618119 at 16-20.

[173] *Original Investigations*, USITC Pub. 3311 at 24.

[174] *First Five-Year Reviews*, USITC Pub. 3850 at 43-45; Confidential First Five-Year Reviews, EDIS Doc. 594474 at 65-68, Separate Views of Commissioners Lane and Koplan, EDIS Doc. 618119 at 32-36.

[175] *Second Five-Year Review*, USITC Pub. 4262 at 11.

the original investigations which resulted in four firms producing large-diameter seamless SLP pipe in the United States during the period of review.[176] Though the Commission found that several domestic seamless mills were building new facilities or expanding current facilities to increase seamless SLP pipe production.[177]

The Commission also found that subject imports of large-diameter seamless SLP pipe from Japan were present in the U.S. market throughout the period; large-diameter seamless SLP pipe imports from nonsubject countries were also present and held a larger share of the U.S. market than either the domestic industry or subject imports from Japan.[178]

The Commission found that the U.S. market for small-diameter seamless SLP pipe was supplied by domestic producers, subject imports from Japan and Romania, and nonsubject imports during the period of review; six firms produced small-diameter seamless SLP pipe in the United States during the period. The Commission found that subject imports of small-diameter seamless SLP pipe from Japan and Romania were present in the U.S. market throughout the period, as were imports from nonsubject countries. It found that nonsubject imports of small-diameter seamless SLP pipe had a larger share of the U.S. market than the domestic industry and subject imports from Japan and Romania.[179]

Finally, with respect to substitutability, the Commission found that subject imports of large-diameter and small-diameter seamless SLP pipe were each substitutable for the corresponding domestic like product to a moderately high degree based on the available information.[180]

2. The Current Reviews

The following conditions of competition inform our determinations.

Demand Conditions. The overall demand for seamless SLP pipe is derived from activities in the oil and gas sectors, building and industrial construction, and facility repair and pipeline infrastructure.[181] A majority of market participants reported that U.S. demand for seamless SLP pipe had declined or fluctuated since 2011, resulting from volatile energy prices.[182] Most market participants reported future demand would likely fluctuate or increase.[183]

Apparent U.S. consumption of seamless SLP pipe (small-diameter and large-diameter seamless SLP pipe combined) declined sharply from *** short tons in 2014 to *** short tons in

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[176] *Second Five-Year Review*, USITC Pub. 4262 at 11-12. In the original investigations, eight firms reported producing small-diameter and large-diameter SLP pipe. *See* Memorandum INV-DD-036, EDIS Doc. 594455, at I-36.

[177] *Second Five-Year Review*, USITC Pub. 4262 at 12.

[178] *Second Five-Year Review*, USITC Pub. 4262 at 12.

[179] *Second Five-Year Review*, USITC Pub. 4262 at 12-13.

[180] *Second Five-Year Review*, USITC Pub. 4262 at 13.

[181] CR at I-26, II-10, PR at I-21, II-6.

[182] CR at II-10 to II-11, PR at II-6 to II-7, and CR/PR at Tables II-5 and II-6.

[183] CR/PR at Tables II-5 and II-6.

2015, and then to *** short tons in 2016.[184] Overall apparent U.S. consumption of seamless SLP pipe was *** percent lower in 2016 than in 2014.[185]

Supply Conditions. Nonsubject imports supplied the largest share of the U.S. seamless SLP pipe market, followed by the domestic industry and then subject imports.

In these reviews, 10 current U.S. producers of seamless SLP pipe, which accounted for approximately *** percent of overall U.S. seamless SLP pipe production in 2016, responded to the Commission's questionnaires.[186] The market share of the domestic industry producing seamless SLP pipe declined over the period of review and was *** percent in 2014, *** percent in 2015, and *** percent in 2016.[187]

The market share of cumulated subject imports of seamless SLP pipe was *** percent in 2014 and 2015, and *** percent in 2016.[188] The market share of nonsubject imports of seamless SLP pipe was *** percent in 2014, *** percent in 2015, and *** percent in 2016.[189] The largest supplier of nonsubject imports of seamless SLP pipe was Mexico, which accounted for *** percent of the total share of U.S. imports of seamless SLP pipe in 2016.[190] Imports of small-diameter seamless SLP from Germany became subject to an antidumping duty order in 1995; imports of small-diameter and large-diameter seamless SLP pipe from China became subject to antidumping and countervailing duty orders in 2010. These imports remain subject to orders.[191]

Substitutability and Other Conditions. We find that domestically produced seamless SLP pipe and subject imports from both Japan and Romania are moderately substitutable.[192] We also find that price is a very important factor in purchasing decisions for seamless SLP pipe, although quality and availability are also very important factors.[193] A majority of purchasers

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[184] CR/PR at Table C-3. Apparent U.S. consumption of seamless SLP pipe was *** short tons in interim 2016 and higher, at *** short tons, in interim 2017. *Id*.

[185] CR/PR at Table C-3.

[186] CR at I-37, PR at I-27.

[187] CR/PR at Table C-3. The market share of the domestic industry producing seamless SLP pipe was *** percent in interim 2016 and *** percent in interim 2017. *Id*. The domestic industry reported the opening of two new facilities and the expansion of a third plant since 2011. *See* CR/PR at Table III-1. Moreover, one producer reported the partial closure of a plant producing seamless SLP pipe in June 2017. *Id*.

[188] CR/PR at Table C-3. The market share of cumulated subject imports was *** percent in interim 2016 and interim 2017. *Id*.

[189] CR/PR at Table C-3. The market share of cumulated nonsubject imports was *** percent in interim 2016 and *** percent in interim 2017. *Id*.

[190] Calculated from CR/PR at Tables IV-3 and IV-4.

[191] *See Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Germany: Continuation of Antidumping Duty Order*, 77 Fed. Reg. 56809, 56809-11 (Sep. 14, 2012); and *Seamless Carbon Alloy Steel Standard Line and Pressure Pipes From the People's Republic of China: Continuation of Antidumping Duty Order and Countervailing Duty Order*, 81 Fed. Reg. 14089, 14089-90 (Mar. 16, 2016).

[192] CR at II-14, PR at II-9.

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

reported that they usually purchase the lowest-priced seamless SLP pipe.[194] All purchasers of small-diameter and 10 of 11 purchasers of large-diameter seamless SLP pipe reported that price was a very important factor in their purchasing decisions.[195]

C. Likely Volume of Cumulated Subject Imports

1. The Original Investigations and Prior Five-Year Reviews

Small-Diameter Seamless SLP Pipe. In the original investigations, the Commission cumulated subject imports of small-diameter seamless SLP pipe from the Czech Republic, Japan, Romania, and South Africa; it found that cumulated subject imports collectively rose from 59,017 short tons in 1997 to 83,228 short tons in 1998. It found that cumulated subject imports increased their market share from 21.8 percent in 1997 to 35.8 percent in 1998 largely at the expense of the domestic industry, whose market share declined from 67.8 percent to 54.9 percent in the same period. In 1999, the quantity of these cumulated subject imports fell to 35,683 short tons, and the Commission found that the domestic industry increased its market share that year to 69.3 percent, largely by significantly decreasing its prices to meet the low-priced competition from these subject imports. The Commission also found that cumulated subject imports declined in 1999 in part as a result of the petition filings, as there was a significant decline in the volume of cumulated subject imports in the fourth quarter of 1999. Nevertheless, subject imports' 23.8 percent market share in 1999 was higher than their share in 1997. Thus, the Commission found that cumulated subject imports still held a significant share of the U.S. market in 1999.[196]

In the first five-year reviews, the Commission opinion separately analyzed the likely volume of small-diameter seamless SLP pipes from Japan. The Commission relied on the information available, primarily information from the original investigations, because Japanese subject producers only provided limited data in the first five-year reviews. It found that the volume of subject imports from Japan to the United States was likely to increase significantly and rapidly if the order were revoked in light of the Japanese producers' large production capacity, excess production capacity, and volume trends during the original investigations. Of those Commissioners who made affirmative determinations on small-diameter seamless SLP pipe from Romania, one Commissioner based her conclusions on an analysis of the likely volume of subject imports from Romania analyzed separately and highlighted the excess capacity and export orientation of the industry in Romania.[197] Two Commissioners based their likely volume analysis by cumulating subject small-diameter seamless SLP pipe imports from Romania with those from Japan, the Czech Republic, and South Africa. They relied on excess

[194] CR at II-16, PR at II-11.
[195] CR/PR at Tables II-9 and II-10.
[196] *Original Investigations*, USITC Pub. 3311 at 20.
[197] *First Five-Year Reviews*, USITC Pub. 3850 at 62-63.

capacity and export orientation of the subject industries, as well as the attractiveness of the U.S. market.[198]

In the expedited second five-year reviews, domestic interested parties identified four producers of subject merchandise in Japan and four producers of small-diameter seamless SLP pipe in Romania. In the absence of contrary record evidence, the Commission repeated its first review findings that both industries were large and adding capacity despite significant excess capacity, and both were export oriented. The Commission also observed that third-country trade barriers also would likely encourage subject foreign producers in Japan and Romania to increase their exports of small-diameter seamless SLP pipe to the United States significantly after revocation. Available information indicated that Brazil imposed an antidumping duty order on imports of small-diameter seamless pipe from Romania in 2000, Venezuela imposed an order on small-diameter seamless line pipe from Japan in 2000, and Mexico imposed antidumping duty orders on small-diameter seamless line pipe from Japan in 2000 and on imports from Romania in 2004.[199] The Commission found that the cumulated volume of subject small-diameter seamless SLP pipe imports from Japan and Romania, both in absolute terms and relative to production and consumption in the United States, would likely be significant and increase significantly absent the restraining effect of the antidumping duty orders.[200]

Large-Diameter Seamless SLP Pipe. In the original investigations, the Commission found that the quantity of cumulated subject imports of large-diameter seamless SLP pipe from Mexico and Japan increased overall over the period of investigation. As apparent U.S. consumption decreased during the period, cumulated subject imports increased their share of the U.S. market and the domestic industry's share declined.[201]

In the first five-year reviews, the Commission found the likely volume of imports of large-diameter seamless SLP pipe from Japan into the United States, which it considered separately, would likely be significant in the reasonably foreseeable future if the antidumping duty order were revoked. It based this conclusion on the information available in those reviews, primarily information from the original investigations indicating that the industry in Japan at the time of the original investigations was large, export oriented, and had significant excess capacity and declining shipments to its home market, and that subject imports from Japan into the U.S. market had increased rapidly. The Commission found that nothing in that record indicated that Japanese producers would likely behave differently if the order were lifted than they did during the original investigations.[202]

In the second five-year reviews, the Commission found that there were four producers of subject merchandise in Japan, each of which also reportedly produced other products, including small-diameter seamless SLP pipe. The Commission observed that there was no evidence of any significant changes in the structure of this industry since the original

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[198] *First Five-Year Reviews*, USITC Pub. 3850 at 81-83.
[199] *Second Five-Year Reviews*, USITC Pub. 4262 at 24.
[200] *Second Five-Year Reviews*, USITC Pub. 3262 at 24-25.
[201] *Original Investigations*, USITC Pub. 3311 at 25.
[202] *First Five-Year Reviews*, USITC Pub. 3850 at 45-46.

investigations. As the Commission stated in the first five-year reviews, the Japanese industry at the time of the original investigations was large and increased its capacity despite significant excess capacity; it produced both small-diameter and large-diameter seamless SLP pipe products, was export oriented, and had declining shipments to its home market and rapidly increasing imports into the U.S. market.[203]

The Commission observed the continued presence of subject imports from Japan in the U.S. market even under the discipline of the orders and found that indicated continued interest in the U.S. market despite its currently smaller size. It consequently found that the volume of subject large-diameter seamless SLP pipe imports from Japan, both in absolute terms and relative to production and consumption in the United States, would likely be significant absent the restraining effect of the antidumping duty order.[204]

2. The Current Reviews[205]

The record indicates that subject producers of seamless SLP pipe in Japan and Romania have the means and the incentive to export subject merchandise to the U.S. market in significant volumes within a reasonably foreseeable time if the antidumping duty orders were revoked. The cumulated subject industries in Japan and Romania have substantial production capacity and unused capacity and the record indicates that the industries in both countries are export oriented. The United States is an important and attractive export market for seamless SLP pipe.

Even under the discipline of the orders, cumulated subject imports of seamless SLP pipe continued to be present in the U.S. market throughout the period of review, albeit at reduced volumes. Cumulated subject imports were *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016.[206]

In our assessment of the subject industries' ability to increase exports of subject merchandise, we are mindful that, while we are conducting a cumulated analysis, the record provides limited aggregated data concerning the subject industries. Foreign producer questionnaire coverage is comprehensive for the industry in Romania, but nonexistent for subject producers in Japan.[207] Consequently, we will address several considerations pertinent to the subject industries of Japan and Romania separately.

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[203] *Second Five-Year Reviews*, USITC Pub. 4262 at 14.

[204] *Second Five-Year Reviews*, USITC Pub. 4262 at 15.

[205] Commissioner Broadbent does not join the discussion below with regard to the likely volume of subject imports from Romania. Subject imports from Japan were *** short tons in 2014, *** short tons in 2015, *** short tons in 2016, *** short tons in interim 2016, and *** short tons in interim 2017. CR/PR at Table C-3. In light of the discussion below regarding Japan, she finds that subject import volumes from Japan would likely be significant, in both absolute terms and relative to U.S. consumption, upon revocation of the antidumping duty orders.

[206] CR/PR at Table C-3. Cumulated subject imports were *** short tons in interim 2016 and *** short tons in interim 2017. *Id*.

[207] CR at IV-23 to IV-24 and IV-35, PR at IV-9 and IV-16.

The record indicates that the subject industry in Romania has substantial capacity and excess capacity, notwithstanding that capacity declined during the period of review. Capacity to produce small-diameter seamless SLP pipe in Romania was *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016.[208] Capacity utilization was *** percent in 2014, *** percent in 2015, and *** percent in 2016.[209] Inventories of the subject merchandise in Romania declined from 2014 to 2016, but were higher in interim 2017 than interim 2016.[210]

The small-diameter seamless SLP pipe industry in Romania is export oriented. Subject producers' share of export shipments to total shipments during the period of review was *** percent in 2014, *** percent in 2015, and *** percent in 2016.[211] As previously discussed, although the EU was the primary export market for the subject industry in Romania during the period of review, an appreciable share of the overall shipments of this industry were directed to export markets other than the EU, and the quantities of these export shipments fluctuated over the period of review.[212] Moreover, we found above that exports to the EU were largely on the spot market and that the record does not indicate that these reflect ***.[213] Consequently, the record indicates that subject producers in Romania have the ability to export significant quantities of subject merchandise to the United States upon revocation of the antidumping duty order.

No subject Japanese producers submitted a questionnaire response in these reviews.[214] The available data indicate, however, that the Japanese industry is large and has substantial capacity. According to data from the World Steel Association, Japanese producers had the capacity to produce 2.5 million short tons of seamless pipe in 2011, although the data shows

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[208] CR/PR at Table IV-16. Capacity was *** short tons in interim 2016 and *** short tons in interim 2017. *Id*. The decrease in production capacity from 2015 to 2016 was largely due to the closure of ArcelorMittal Romania's small-diameter SLP pipe production facility that accounted for *** of total capacity reported for small-diameter SLP pipe production over the period of review. CR at IV-27, PR at IV-11.

[209] CR/PR at Table IV-16. Capacity utilization was *** percent in interim 2016 and *** percent in interim 2017. *Id*.

[210] Inventories of subject merchandise in Romania were *** short tons in 2014, *** short tons in 2015, *** short tons in 2016, *** short tons in interim 2016, and *** short tons in interim 2017. CR/PR at Table IV-16. U.S. inventories of subject imports from Romania declined from *** short tons in 2014 to *** short tons in 2015 and *** short tons in 2016. They were *** short tons in interim 2016 and *** short tons in interim 2017. CR/PR at Table IV-13.

[211] CR/PR at Table IV-16. The share of export shipments to total shipments was *** percent in interim 2016 and *** percent in interim 2017. *Id*.

[212] CR/PR at Table IV-16. The percentage of total shipments that subject producers in Romania exported to markets other than the EU was *** percent in 2014, *** percent in 2015, *** percent in 2016, *** percent in interim 2016, and *** percent in interim 2017. *Id*.

[213] *See, e.g.,* *** Foreign Producer Questionnaire Response, EDIS Doc. 614378, Section III-2 and *** Foreign Producer Questionnaire Response, EDIS Doc. 614395, Section III-2 (***).

[214] CR at IV-35, PR at IV-16.

that production in Japan declined from 2011 to 2015.[215]

Available data indicate that the Japanese seamless pipe industry is export oriented. Global export statistics indicate that Japan is the world's second largest exporter of seamless line pipe.[216] Official Japanese export statistics for exports of seamless line pipe indicate that total Japanese exports of seamless pipe were 237,315 short tons in 2014, 171,654 short tons in 2015, and 161,074 short tons in 2016.[217] Although total Japanese exports of seamless line pipe declined from 2014 to 2016, exports from other major countries declined as well over this period and the facts available do not indicate that the Japanese industry has contracted.[218] Consequently, the record indicates that subject producers in Japan have the ability to export significant quantities of seamless SLP pipe to the United States upon revocation of the antidumping duty orders. Consequently, on a cumulated basis, the subject industries have large capacity and unused capacity, and are particularly export oriented.

Subject producers in Japan and Romania also have the incentive to increase exports to the United States upon revocation. As previously indicated, imports from both subject countries have remained in the U.S. market, albeit at reduced quantities, notwithstanding the orders and subject producers have established distribution channels in the United States.[219] Moreover, the United States, along with the EU, is viewed as a highly attractive market for seamless SLP pipe with high prices.[220] Additionally, antidumping duty measures have been

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[215] CR at IV-35 to IV-36 and n.25, PR at IV-17 and n.25. These data contain seamless line pipe, regardless of size, and consequently include out-of-scope merchandise. CR at IV-36 n.26, PR at IV-17 n.26. The sharp decline in Japanese production of seamless pipe in 2015 may be attributed, at least in part, to a statistical anomaly caused by consumption tax changes implemented by the Japanese government in that year. CR at IV-36, PR at IV-17.

We observe that, because of the lack of questionnaire responses, the record does not contain information about inventories of the subject merchandise in Japan or about the ability of subject producers in Japan to engage in product shifting. There were *** U.S. inventories of subject merchandise from Japan during the period of review. CR/PR at Tables IV-13, IV-14.

[216] CR/PR at Table IV-23. These data contain seamless line pipe, regardless of size, and consequently may include out-of-scope merchandise.

[217] CR/PR at Table IV-21.

[218] *See* CR/PR at Table IV-26.

[219] This is indicated by the substantial exports of out-of-scope seamless line pipe products from Japan and Romania to the United States. CR/PR at Tables IV-19, IV-21. Additionally, Romanian producer Silcotub is affiliated with U.S. importer Tenaris Global Services and Tenaris S.A. Tenaris has a seamless SLP pipe facility under construction in Bay City, Texas, that is scheduled to be operational in October 2017. CR/PR at III-1. We observe that Tenaris reportedly plans to produce only seamless SLP pipe of 4.5 inches OD or larger at this facility and intends to supply small-diameter seamless SLP pipe from other Tenaris operations outside the United States. Hearing Transcript at 10 (Rule) and 109-111 (Spak).

[220] Hearing Transcript at 128 (Popescu) ("The United States and Europe are probably the most desired {. . .} markets in the world.").

imposed on seamless SLP pipe from Japan and Romania in third-country markets.[221]

We find that, in the event of revocation, subject producers in Japan and Romania are likely to direct additional exports to the U.S. market in light of their continued presence since the imposition of the orders, the existing distribution systems in the United States, and the relative importance of the United States as an export market. Moreover, in the original investigations, the cumulated subject imports demonstrated the ability to increase exports to the United States substantially in a short period of time. We consequently conclude that cumulated subject import volumes would likely be significant, both in absolute terms and relative to U.S. consumption, upon revocation of the antidumping duty orders.

D. Likely Price Effects of Subject Imports

1. The Original Investigations and Prior Five-Year Reviews

Small-Diameter Seamless SLP Pipe. In the original investigations, the Commission cumulated small-diameter seamless SLP pipe imports from the Czech Republic, Japan, Romania, and South Africa. The Commission found that the domestic industry's prices were stable in 1997 and 1998 but then declined in 1999, consistent with generally declining subject import prices in 1999. In addition, the Commission found significant underselling of the domestic like product by cumulated subject imports. The Commission found that the decline in demand during the original investigations did have an effect on prices, but did not fully explain the price declines evidenced in the record. Given the dramatic decline in price levels, along with pervasive and significant underselling and the substitutability of subject imports, the Commission found that the cumulated subject imports depressed domestic prices to a significant degree.[222]

In the first five-year reviews, the Commission found a likelihood of significant price effects if the antidumping duty order on small-diameter seamless SLP pipe from Japan were

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[221] CR at IV-40 to IV-41, PR at IV-21. Brazil imposed an antidumping duty order on imports of small-diameter seamless SLP pipe from Romania in 2000. Both Mexico and Venezuela imposed antidumping duty orders on imports of small-diameter seamless SLP pipe from Japan in 2000. *Id*.

[222] *Original Investigations*, USITC Pub. 3311 at 18. During the original investigations, according to data reported by domestic producers and importers, subject imports of small-diameter seamless SLP pipe from Japan undersold the domestic like product in 22 of 34 observations at margins that ranged from 0.8 to 37.4 percent. Based on purchaser pricing data, subject imports from Japan undersold the domestic like product in 29 of the 31 observations, at margins that ranged as high as 26.9 percent. *See* Memorandum INV-X-114, EDIS Doc. 594450 at Tables V-1 to V-6.

During the original investigations, according to data reported by domestic producers and importers, subject imports of small-diameter seamless SLP pipe from Romania undersold the domestic like product in 30 of 31 observations at margins that ranged from 4.5 to 39.7 percent. Based on purchaser pricing data, subject imports from Romania undersold the domestic like product in all 17 observations at margins that ranged from 3.8 to 46.7 percent. *See* Memorandum INV-X-114, EDIS Doc. 594450 at Tables V-1 to V-6.

revoked. It based this conclusion on information available, primarily from the original investigations, including the fact that underselling by subject imports from Japan increased during the original investigations and there were more instances of underselling than overselling for almost every pricing product at that time. It also noted that Japanese producers were the only subject source listed on purchasers' approved manufacturers lists, giving them faster access to the U.S. market if the order were revoked.[223] The Commissioners who made affirmative determinations in the first five-year reviews concerning small-diameter seamless SLP pipe from Romania found that the likely underselling and price depression observed during the original investigations would recur.[224]

In the expedited second five-year reviews, the Commission found that the available information on average U.S. transaction prices (for domestic and import shipments combined) indicated increased prices in 2010, but more mixed trends in 2011; during this period, prices for a key input used to produce seamless pipe increased by approximately $100 per short ton and continued to increase into 2011. Based on this pricing evidence and the moderately high degree of substitutability among the domestic like product and subject imports from Japan and Romania, the Commission found that the U.S. market for small-diameter seamless SLP pipe was price-competitive. Thus, the Commission found it likely that subject foreign producers would resume their pattern of underselling from the original investigations if the orders were revoked, in order to increase their market share, particularly given the smaller size of the U.S. market by 2010, and that in response the domestic producers would have to either reduce their prices or relinquish market share. Accordingly, the Commission found that, if the orders were revoked, the likely significant increase in subject import volume at prices that would likely undersell the domestic like product would likely have significant price effects on the domestic industry.[225]

Large-Diameter Seamless SLP Pipe. In the original investigations, the Commission cumulated subject imports of large-diameter seamless SLP pipe from Japan and Mexico. The Commission found that domestic prices declined dramatically when demand was at its weakest in late 1998 and 1999 and there was significant underselling by subject imports of large-diameter seamless SLP pipe.[226] It found that the decline in oil and gas industry activities, and thus demand for large-diameter seamless SLP pipe, contributed to but did not fully explain the decline in large-diameter seamless SLP pipe prices. Instead, it found that, with demand weak, and cumulated subject imports entering the market in significant volumes at low and declining

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[223] *First Five-Year Reviews*, USITC Pub. 3850 at 25-26. No pricing data for subject imports from Japan were available at the time of the Commission's first five-year reviews. *See* Memorandum INV-DD-036, EDIS Doc. 594455; Confidential First Five-Year Review, EDIS Doc. 594474 at 38 and n.180.

[224] *First Five-Year Reviews*, USITC Pub. 3850 at 66-68, 83-84.

[225] *Second Five-Year Reviews*, USITC Pub. 4262 at 26.

[226] *Original Investigations-Japan*, USITC Pub. 3311 at 26. During the original investigations, according to data reported by domestic producers and importers, subject imports of large-diameter seamless SLP pipe from Japan undersold the domestic like product in four of 13 observations at margins that ranged from 0.6 to 30.4 percent. Based on purchaser pricing data, subject imports from Japan undersold the domestic like product in five of the six observations, at margins that ranged from 5.2 to 20.2 percent. Memorandum INV-X-114, EDIS Doc. 594450 at Tables V-7 to V-9 (May 25, 2000).

prices, domestic producers were forced to cut prices to regain market share they had lost to subject imports.[227] The Commission also found that cumulated subject imports depressed prices of the domestic like product to a significant degree.[228]

In the first five-year reviews, the Commission considered imports of large-diameter seamless SLP pipe from Japan separately. It found the likely price effects of large-diameter seamless SLP pipe from Japan would likely be significant in the reasonably foreseeable future if the antidumping duty order were revoked. In doing so it relied on pricing data from the original investigations in the absence of reported data on Japanese products for the first review period. It also relied on its likely volume findings as well as its finding that nothing in the record of the first reviews indicated that subject imports from Japan would behave differently than they had during the original investigations if the order were revoked.[229]

In the second five-year reviews, the Commission found that available information on average U.S. transaction prices (for domestic and import shipments combined) indicated increased prices in 2010, but more mixed trends in 2011; during this period, prices for a key input used to produce seamless pipe increased by approximately $100 per short ton and continued to increase into 2011. Based on this information and the moderately high degree of substitutability between the domestic like product and subject imports from Japan, the Commission determined that the U.S. market for large-diameter seamless SLP pipe was price-competitive. Consequently, the Commission found it likely that subject producers, in order to increase their market share, would resume their pattern of underselling from the original investigations if the order were revoked and the domestic producers would either have to reduce their prices or relinquish market share. Accordingly, the Commission found that, if the order were revoked, the likely significant increase in subject import volume at prices that would likely undersell the domestic like product would likely have significant price effects on the domestic industry.[230]

2. The Current Reviews[231]

As previously stated, we have found that domestically produced seamless SLP pipe and the cumulated subject imports are moderately to highly substitutable, and price is a very important factor in purchasing decisions for seamless SLP pipe.[232]

The Commission requested pricing data for eight seamless SLP pipe products in these reviews.[233] The pricing data show that there was predominant underselling by subject imports,

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[227] *Original Investigations-Japan*, USITC Pub. 3311 at 26.

[228] *Original Investigations-Japan*, USITC Pub. 3311 at 26-27.

[229] *First Five-Year Reviews*, USITC Pub. 3850 at 46.

[230] *Second Five-Year Reviews*, USITC Pub. 3850 at 16.

[231] Commissioner Broadbent does not join the discussion below with regard to the likely price effects of subject imports from Romania. For the reasons discussed below, she finds that subject imports of seamless SLP pipe from Japan would likely have significant price effects upon revocation of the orders.

[232] *See* CR at II-14, PR at II-9, and CR/PR at Table II-8.

both in instance and by quantity, during the period of review, notwithstanding the discipline of the orders. Prices for small diameter SLP pipe from Romania were lower than those of the domestic like product in 11 of 19 quarterly comparisons, at margins ranging from *** percent to *** percent. There were *** short tons of subject imports in underselling comparisons, and *** short tons of subject imports in overselling comparisons.[234] In light of both the underselling observed during the current period of review with the orders in place,[235] and the underselling observed during the original investigations, and the significance of price in purchasing decisions, we find that significant underselling by subject imports is likely in the event of revocation.[236]

(…Continued)

[233] These are: **Product 1** – Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications, 1" nominal size (1.315" OD x 0.179" wall thickkness); plain ends; schedule 80; **Product 2** – Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications, 3" nominal size (3.5" OD x 0.3" wall thickness); plain ends; schedule 80; **Product 3** – Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications, 4" nominal size (4.5" OD x 0.337" wall thickness); plain ends; schedule 80; **Product 4** – Seamless pipe multiple-stenciled to meet ASTM A/ASME SA 335 Grade P11, 3.5" nominal size (4.000" OD x 0.318" wall thickness); plain ends; schedule 80; **Product 5** – Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications, 6.625" OD x 0.432" wall thickness); plain ends; **Product 6** – Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L and APL 5L grade X-42 specifications, 8" nominal size (8 5/8" OD x 0.322" wall thickness); plain ends; **Product 7** – Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L and APL 5L grade X-42 specifications, 12" nominal size (12 3/4" OD x 0.375" wall thickness); plain ends; and **Product 8** – Seamless pipe multiple-stenciled to meet API 5L and APL 5L Grade X-52 specification, 12" OD x 0.500" wall thickness; plain ends. CR at V-6, PR at V-4. The pricing data for these eight products reported by U.S. producers accounted for approximately 18.0 percent of U.S. producers' U.S. shipments of seamless SLP pipe in 2016. Pricing data for these imported products accounted for *** percent of reported U.S. commercial shipments of SLP pipe from Japan in 2016 and *** percent of U.S. commercial shipments of small-diameter seamless SLP pipe Romania in 2016. CR at V-7; PR at V-5. For Product 4, there were no pricing data reported by domestic producers and data was reported for U.S. commercial shipments of Product 4 from Romania only for July-September 2016. CR at V-7 n.6, PR at V-5 n.6.

[234] CR at V-17, PR at V-6; CR/PR at Table V-8.

[235] Romanian Respondents argue that the record does not establish that underselling by subject imports of seamless SLP pipe from Romania had price effects on the domestic like product. *See* TMK-Artrom Prehearing Brief at 18. This allegation, however, concerns current conditions under the discipline of the order and does not address the statutory inquiry of likely price effects if the antidumping duty orders on seamless SLP pipe were revoked.

[236] While the record contains no pricing data for subject imports from Japan during the period of review, in the original investigations the Commission found that subject imports of small-diameter and large-diameter seamless SLP pipe from Japan undersold the domestic like product in a majority of comparisons and at significant margins. Based on data reported by domestic producers and importers, subject imports of small-diameter seamless SLP pipe from Japan undersold the domestic like product in 22 of 34 observations at margins that ranged from 0.8 to 37.4 percent. Based on purchaser pricing data, subject imports of small-diameter SLP pipe from Japan undersold the domestic like product in 29 of the (Continued…)

Absent the discipline of the orders, the likely increased and significant volumes of subject merchandise being offered at low prices would require the domestic industry to cut prices and/or restrain price increases when its costs increase to retain sales. Consequently, the increasing volumes of cumulated subject imports of seamless SLP pipe are likely to have a significant depressing or suppressing effects effect on prices for the domestic like product.

For the foregoing reasons, we find that cumulated subject imports of seamless SLP pipe would likely have significant price effects upon revocation of the orders.

E. Likely Impact of Subject Imports

1. The Original Investigations and Prior Reviews

Small-Diameter Seamless SLP Pipe. In the original investigations, the Commission found that all of the domestic industry's major economic and financial indicators declined significantly between 1997 and 1999.[237] Operating income fell and five of the seven firms sustained operating losses in 1999, compared with none in 1997.[238] Moreover, during the period of investigation, the domestic industry experienced significant declines in production, shipments, net sales, capacity utilization, cash flow, productivity, number of production workers, hours worked, wages paid, and hourly wages.[239] Additionally, its end-of-period inventories, unit labor costs, and unit cost of goods sold ("COGS") all increased.[240] Although capital expenditures increased during the period, the Commission found this reflected decisions made before 1998 and before the decline in demand and the surge in subject imports.[241] While the declines in industry performance indicators were partly attributable to the decline in demand, the Commission found that cumulated subject imports of small-diameter seamless SLP pipe from the Czech Republic, Japan, Romania, and South Africa exacerbated the effects of the decline in demand on the increasingly unprofitable and poorly performing industry.[242]

In the first five-year reviews, the Commission found that the domestic small-diameter seamless SLP pipe industry was not then vulnerable, based on improvements in its condition, including its profitability, throughout the period of review.[243] Although demand was projected

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(…Continued)
31 observations, at margins that ranged as high as 26.9 percent. *See* Memorandum INV-X-114, EDIS Doc. 594450 at Tables V-1 to V-6.

During the original investigations, based on purchaser pricing data, subject imports of large-diameter SLP pipe from Japan undersold the domestic like product in five of the six observations, at margins that ranged from 5.2 to 20.2 percent. Memorandum INV-X-114, EDIS Doc. 594450 at Tables V-7 to V-9 (May 25, 2000).

[237] *Original Investigations-Japan*, USITC Pub. 3311 at 19-20.
[238] *Original Investigations-Japan*, USITC Pub. 3311 at 19.
[239] *Original Investigations-Japan*, USITC Pub. 3311 at 19-20.
[240] *Original Investigations-Japan*, USITC Pub. 3311 at 20.
[241] *Original Investigations-Japan*, USITC Pub. 3311 at 20.
[242] *Original Investigations-Japan*, USITC Pub. 3311 at 20.
[243] *First Five-Year Reviews*, USITC Pub. 3850 at 26.

to remain strong, the Commission found that the likely significant volume and price effects of subject imports from Japan likely would be sufficient to have a significant negative impact on the production, shipments, sales, market share, and revenues of the domestic industry, despite its lack of vulnerability. This reduction in the industry's production, shipments, sales, market share, and revenues, it found, likely would adversely impact the industry's profitability and ability to raise capital and maintain necessary capital investments. Based on the facts available in those reviews, the Commission concluded that if the order were revoked, there would be a likely significant impact on the domestic industry.[244]

In the expedited second five-year reviews, the Commission found that the limited evidence in the record was insufficient to determine whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. The Commission found that the likely significant volume of cumulated subject small-diameter seamless SLP pipe imports from Japan and Romania, and their likely price effects, would have a significant adverse effect on the industry's output, employment, and financial performance. It also found that, despite the presence of nonsubject imports, a significant portion of the likely increased volume of cumulated subject imports would come at the expense of the domestic industry.[245]

Large-Diameter Seamless SLP Pipe. In the original investigations, the Commission found that all of the industry's major economic and financial indicators declined significantly. Operating income declined, as did production, shipments, net sales, cash flow, capacity utilization, productivity, number of production workers, hours worked, wages paid, and productivity. Additionally, the domestic industry's unit labor costs and unit COGS increased. While the declines were partly attributable to a decline in demand for large-diameter seamless SLP pipe, the Commission found that cumulated subject imports of large-diameter seamless SLP pipe from Japan and Mexico exacerbated the effects of the decline in demand on the increasingly unprofitable and poorly performing industry.[246]

In the first reviews, the Commission concluded that the domestic industry was not vulnerable, based on improvements in its condition during the review period.[247] In particular, the Commission cited the increased profitability of the industry toward the end of the review period. Although demand was projected to remain strong, the Commission found that the likely substantial volume and price effects of subject imports from Japan likely would be sufficient to have a significant negative impact on the production, shipments, sales, market

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[244] *First Five-Year Reviews*, USITC Pub. 3850 at 28. In separate views concerning subject imports of small-diameter seamless SLP pipe from Romania, three Commissioners found that the likely significant volume and price effects of subject imports (subject imports from Romania for one Commissioner and cumulated imports from four subject countries for two other Commissioners) would have a significant negative impact on the production, shipments, sales, market share, employment, and revenues of the domestic industry, despite their findings that the domestic industry was not then vulnerable and that demand was projected to remain strong. *Id*. at 69, 84-85.

[245] *Second Five-Year Reviews*, USITC Pub. 4262 at 28.

[246] *Original Investigations-Japan*, USITC Pub. 3311 at 19-20.

[247] *First Five-Year Reviews*, USITC Pub. 3850 at 47-48.

share, and revenues of the domestic industry. This reduction in the industry's production, shipments, sales, market share, and revenues, it found, likely would adversely affect the industry's profitability and ability to raise capital and maintain necessary capital investments. Consequently, the Commission concluded that if the order were revoked, there would be a likely significant impact on the domestic industry.[248]

In the expedited second five-year reviews, the Commission found that the limited evidence was insufficient to determine whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order. Based on the available information, the Commission found that the likely volume and likely price effects of subject imports of large-diameter seamless SLP pipe would likely have a significant impact on the domestic industry's production, sales, and revenue levels, and would likely have a direct adverse impact on the industry's profitability and employment levels as well as its ability to raise capital and make and maintain necessary capital investments. The Commission observed, given the substitutability of the products generally, that subject imports of large-diameter seamless SLP pipe from Japan would also likely displace to some degree nonsubject imports in the U.S. market in the event of revocation. Nevertheless, the Commission found that a significant portion of the expected increase in subject imports from Japan would be at the expense of the domestic industry, particularly given the likelihood of subject import underselling and adverse price effects as well as the size of the U.S. market. Accordingly, it concluded that, if the antidumping duty order on large-diameter seamless SLP pipe from Japan were revoked, subject imports would be likely to have a significant impact on the domestic industry.[249]

2. The Current Reviews[250]

As discussed below, most of the performance indicators of the domestic industry producing seamless SLP pipe declined over the period of review, including production, capacity utilization, net sales, shipments, revenues, and employment indicators. The domestic industry's profitability and market share also declined over the period of review.[251]

The capacity of U.S. producers of seamless SLP pipe declined by *** percent from 2014 to 2016, decreasing from *** short tons in 2014 to *** short tons in 2015 and *** short tons in 2016.[252] Production fell by *** percent from 2014 to 2016, decreasing from *** short tons in

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[248] *First Five-Year Reviews*, USITC Pub. 3850 at 48-49.

[249] *Second Five-Year Reviews*, USITC Pub. 4262 at 17.

[250] Commissioner Broadbent does not join the discussion below with regard to the likely impact of subject imports from Romania. In light of the discussion below regarding Japan, she finds that revocation of the antidumping duty orders on seamless SLP pipe from Japan would likely have a significant impact on the domestic industry.

[251] CR/PR at Table C-3.

[252] CR/PR at Tables, III-4, III-6, and C-3. Capacity was *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

2014 to *** short tons in 2015 and to *** short tons in 2016.[253] Capacity utilization fell from *** percent in 2014 to *** percent in 2015, and then increased to *** percent in 2016, which was still far below the 2014 level.[254]

Net sales quantities declined by *** percent from 2014 to 2016, decreasing from *** short tons in 2014 to *** short tons in 2015 and then to *** short tons in 2016.[255] U.S. shipments fell by *** percent from 2014 to 2016, decreasing from *** short tons in 2014 to *** short tons in 2015 and then increasing to *** short tons in 2016.[256] U.S. producers' end-of-period inventories fell by *** percent from 2014 to 2016, decreasing from *** short tons in 2014 to *** short tons in 2015 and then to *** short tons in 2016.[257] The domestic industry's share of apparent U.S. consumption fluctuated over the period of review, decreasing from *** percent in 2014 to *** percent in 2015 and then increasing to *** percent in 2016.[258]

Employment in terms of production-related workers (PRWs) fell by *** percent from 2014 to 2016, decreasing from *** PRWs in 2014 to *** PRWs in 2015 and then increasing to *** PRWs in 2016.[259] Hours worked fell by *** percent from 2014 to 2016, decreasing from *** hours in 2014 to *** hours in 2015, and then to *** hours in 2016.[260] Wages paid fell by *** percent from 2014 to 2016, decreasing from $*** in 2014 to $*** in 2015, and then increasing to $*** in 2016.[261] Productivity (in short tons per hour) fell by *** percent from 2014 to 2016, decreasing from *** in 2014 to *** in 2015, and then to *** in 2016.[262]

Net sales value fell by *** percent from 2014 to 2016, decreasing from $*** in 2014 to $*** in 2015, and then to $*** in 2016.[263] Total COGS fell by *** percent from 2014 to 2016,

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[253] CR/PR at Tables III-4, III-6, and C-3. Production was *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

[254] CR/PR at Tables III-4, III-6, and C-3. Capacity utilization was *** percent in interim 2016 and *** percent in interim 2017. *Id.*

[255] CR/PR at Tables III-18, III-21, and C-3. Net sales were *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

[256] CR/PR at Tables III-8, III-9, and C-3. U.S. shipments were *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

[257] CR/PR at Tables III-10, III-11, and C-3. U.S. producers' end-of-period inventories were *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

[258] CR/PR at Tables I-14, I-15, and C-3. The domestic industry's share of apparent U.S. consumption was *** percent in interim 2016 and *** percent in interim 2017. *Id.*

[259] CR/PR at Tables III-14, III-15, and C-3. Employment was *** PRWs in interim 2016 and *** PRWs in interim 2017. *Id.*

[260] CR/PR at Tables III-14, III-15, and C-3. Hours worked were *** hours in interim 2016 and *** hours in interim 2017. *Id.*

[261] CR/PR at Tables III-14, III-15, and C-3. Wages paid were $*** in interim 2016 and $*** in interim 2016. *Id.*

[262] CR/PR at Tables III-14, III-15, and C-3. Productivity (in short tons per hour) was *** in interim 2016 and *** in interim 2017. *Id.*

[263] CR/PR at Tables III-20, III-22, and C-3. Net sales value was $*** in interim 2016 and $*** in interim 2017. *Id.*

decreasing from $*** in 2014 to $*** in 2015, and then to $*** in 2016.[264] Operating income declined from $*** in 2014 to $*** in 2015, and then to $*** in 2016.[265] The industry's operating income margin fell *** percentage points from 2014 to 2016, declining from *** percent in 2014 to *** percent in 2015, and then to *** percent in 2015.[266] Capital expenditures increased from 2014 to 2016.[267]

Most performance indicators of the domestic industry declined appreciably during the period of review, including production, capacity utilization, net sales, shipments, revenues, and employment. The industry's financial performance declined substantially. Given the domestic industry's declining production, low market share and capacity utilization rate, and significantly decreased operating income from 2014 to 2016, we conclude that the domestic industry is in a vulnerable condition.

We found above that revocation of the orders would likely result in a significant increase in cumulated subject import volume that would likely have significant price effects. Consequently, the volume of low-priced cumulated subject imports likely upon revocation will likely cause the domestic industry's condition to deteriorate even further. Cumulated subject imports will likely have an adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions would likely have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We therefore conclude that, if the antidumping duty orders were revoked, cumulated subject imports from Japan and Romania would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the likely role of nonsubject imports in the U.S. market. The volume of nonsubject imports of seamless SLP pipe decreased over the period of review.[268] There is no indication or argument on the record of these reviews that the presence of nonsubject imports would prevent subject imports from Japan and Romania from significantly increasing their presence in the U.S. market in the event of revocation of the antidumping duty orders, given the export orientation of the subject industries and the relative attractiveness of the U.S. market. Given the substitutability of the subject imports and the domestic like

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[264] CR/PR at Tables III-20, III-22, and C-3. Total COGS was $*** in interim 2016 and $*** in interim 2017. *Id.*

[265] CR/PR at Tables III-20, III-22, and C-3. Operating income was $*** in interim 2016 and $*** in interim 2017. *Id.*

[266] CR/PR at Tables III-20, III-22, and C-3. The operating income margin was *** percent in interim 2016 and *** percent in interim 2017. *Id.*

[267] Capital expenses increased from $*** in 2014 to $*** in 2015, and to $*** in 2016. They were $*** in interim 2016 and $*** in interim 2017. CR/PR at Table III-26, III-27, and C-3. Research and development expenditures were minor. CR/PR at Tables III-26, III-27.

[268] The volume of nonsubject imports was *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016. It was *** short tons in interim 2016, and *** short tons in interim 2017. CR/PR at Table C-3. The largest suppliers of cumulated nonsubject imports in 2016 were Mexico, Ukraine, and Russia. Calculated from CR/PR at Tables IV-3 and IV-4.

product, an appreciable share of the additional subject imports likely upon revocation will likely come at the expense of the domestic industry, even if some come at the expense of the significant quantity of nonsubject imports that are present in the U.S. market.[269]

Accordingly, we find that revocation of the antidumping duty orders on seamless SLP pipe from Japan and Romania would likely have a significant impact on the domestic industry.

V. Conclusion

For the above-stated reasons, we determine that revocation of the antidumping duty order on small-diameter seamless SLP pipe from Romania and the antidumping duty orders on small-diameter and large-diameter seamless SLP pipe from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[270]

[269] CR/PR at Tables I-14 and I-15.

[270] Commissioner Broadbent determines that revocation of the antidumping duty orders on small-diameter and large-diameter seamless SLP pipe from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Separate and Dissenting Views of Commissioner Meredith M. Broadbent

I. Introduction

Based on the record of these five-year reviews, I determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty orders on small- and large-diameter carbon and alloy seamless standard, line, and pressure pipe (seamless SLP pipe) from Japan 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 further determine that revocation of the antidumping duty order on small-diameter seamless SLP pipe from Romania would likely have no discernible adverse impact on the domestic industry, and thus would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

I join my colleagues in their discussion of discernible adverse impact and likely injury with regards to subject imports from Japan, and write separately with respect to subject imports from Romania. Specifically, I find that the consolidation of the Romanian small-diameter seamless SLP pipe industry and concurrent capacity constraints, affiliations with U.S. producers, and Romanian producers' focus on serving long-standing customers in the European Union and other markets will likely limit the already minimal volume of small-diameter seamless SLP pipe imports from Romania.

II. Cumulation

1. No Likely 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.[2] 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 determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[3] 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.

During the original period of investigation, the quantity of U.S. shipments of subject imports of small-diameter seamless SLP pipe from Romania declined from *** short tons in

[1] Except as otherwise noted, I join with and adopt as my own sections I-III, IV.D.2 and D.3, and V.A. and V.B. of the Views of the Commission.

[2] 19 U.S.C. § 1675a(a)(7).

[3] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

1997 to *** short tons in 1998 and *** short tons in 1999. The Commission identified three producers of small-diameter seamless SLP pipe in Romania during the original investigations.[4] In the first five-year reviews, the volume of subject imports from Romania increased over the period of review from *** short tons in 2000 to *** short tons in 2004. The Commission identified three producers of small-diameter seamless SLP pipe in Romania during the first reviews.[5] In the second five-year reviews, the volume of subject imports from Romania declined from *** short tons in 2005 to *** short tons in 2010. In response to the notice of institution of the second five-year reviews, four firms were identified as accounting for all production of small-diameter seamless SLP pipe in Romania.[6]

In these reviews, the Commission identified three firms in Romania that produce small-diameter seamless SLP pipe: TMK-Artrom, Silcotub, and ArcelorMittal Romania. These three firms accounted for nearly all Romanian production of small-diameter seamless SLP pipe during the period of review, based on the questionnaire responses provided by each of these firms.[7] The quantity of U.S. shipments of imports of small-diameter seamless SLP pipe from Romania was *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016. As a percentage of apparent U.S. consumption, subject imports from Romania ranged from *** percent to *** percent during the period of review.[8]

In October 2015, ArcelorMittal Romania shut down its small-diameter seamless SLP pipe production and ***.[9] Consequently, reported annual production capacity for subject producers during the period of review decreased from *** short tons in 2014 to *** short tons in 2015 and then to *** short tons in 2016.[10] As a result of ArcelorMittal Romania's closure, TMK-Artrom and Silcotub were the only remaining Romanian producers of small-diameter seamless SLP pipe after 2016.

Along with the declines in capacity following ArcelorMittal Romania's shutdown in 2015, Romanian subject producers' production showed consistent declines over the period of review, and fell from *** short tons in 2014 to *** short tons in 2016.[11] End-of-period inventories also

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[4] *Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the Czech Republic, Mexico, and Romania*, Inv. Nos. 731-TA-846, 848, and 849 (Final), USITC Publication 3325, August 2000, p. 1-3.

[5] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From the Czech Republic, Japan, Mexico, Romania, and South Africa*, Inv. No. 731-TA-846-850 (Review), USITC Publication 3850, April 2006, p. IV-7.

[6] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania*, Inv. No. 731-TA-847, 849 (Second Review), USITC Pub. 4262, September 2011, p. I-23.

[7] CR/PR at Table IV-16.

[8] CR/PR at Table IV-1.

[9] CR at IV-27, PR at IV-11. In fact, ArcelorMittal Romania executives informed the Commission ***. Id.

[10] CR/PR at Table IV-16. Capacity increased between January-March ("interim) 2016 and 2017, and was *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

[11] CR/PR at Table IV-16. Production increased between January-March ("interim") 2016 and 2017, and was *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

declined during 2014-16, decreasing from *** short tons to *** short tons.[12] Capacity utilization rates increased over the period of review, ***; subject producers' capacity utilization rates were *** percent in 2014 and *** percent in 2016.[13]

Of the two remaining Romanian producers of small-diameter seamless SLP pipe, *** was the larger producer of subject product, accounting for *** percent of small-diameter seamless SLP pipe production in Romania in 2016.[14] Its reported production of the subject product was *** short tons and it exported *** short tons to the United States in 2016.[15] TMK-Artrom is affiliated with TMK-IPSCO, a U.S. producer of the domestic like product. TMK-IPSCO imported a small volume of subject merchandise during the review period, accounting for *** percent of the miniscule volume of subject imports from Romania in 2016.[16] However, TMK-Artrom indicated that they have no incentive to export greater volumes of imports at prices that would harm the U.S. industry, which includes their affiliate.[17] In light of this affiliation and limited export shipments to the United States during the period of review, I do not find it likely that TMK-Artrom would ship an increasing volume of small-diameter seamless SLP pipe to the United States in a way that would injure TMK-IPSCO, its U.S. affiliate, or result in a discernible adverse impact to the domestic industry at-large.[18]

I further find that Silcotub, the second remaining Romanian producer of small-diameter seamless SLP pipe, is also not likely to ship an increasing volume of subject merchandise to the United States in a way that would result in a discernible adverse impact on the domestic industry. Silcotub accounted for *** percent of small-diameter seamless SLP pipe production in Romania in 2016.[19] Its reported production of the subject product was *** short tons and it exported *** short tons to the United States in 2016.[20] Although Silcotub ***.[21] Although

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[12] CR/PR at Table IV-16. End-of-period inventories also increased between interim periods, and was *** short tons in interim 2016 and *** short tons in interim 2017. *Id.*

[13] CR/PR at Table IV-16. Capacity utilization rates increased further between interim periods, and were *** percent in interim 2016 and *** percent in interim 2017. *Id.*

[14] CR/PR at Table IV-15.

[15] CR/PR at Table IV-15. As a share of total exports of subject product from Romania to the United States, TMK-Artrom accounted for *** percent. Id.

[16] CR/PR at Table I-12.

[17] Romanian Respondents Posthearing Brief at 8; Silcotub's Prehearing Brief at 22-23.

[18] *See Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan*, Inv. Nos. 731-TA-770-773 and 775 (Third Review), USITC Pub. 4623, July 2016, p.20-21 (finding no likely discernible adverse impact upon revocation of the order on SSWR imports from Spain in light of firm affiliations and limited export shipments as a result of common ownership). *See also Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine*, Inv. Nos. 731-TA-953, 957-959, 961, and 962 (Second Review), USITC Pub. 4472, June 2014, p. 21.

[19] CR/PR at Table IV-15.

[20] CR/PR at Table IV-15. As a share of total exports of subject product from Romania to the United States, Silcotub accounted for *** percent. *Id.*

[21] Silcotub Prehearing Brief at 20-21, Respondents Posthearing Brief at 5, 11.

Silcotub produced ***.[22] [23]

The Romanian industry exported *** of its small-diameter seamless SLP pipe shipments over the period of review. [24] However, in light of the shutdown of ArcelorMittal Romania's small-diameter seamless SLP pipe mill, TMK-Artrom's affiliation with a U.S. producer of the subject product in the United States, and Silcotub's ***, I do not find the Romanian industry's export orientation will likely lead to an increase in the volume of subject imports to the U.S. market. Romania is not subject to third-country trade remedies in either the European Union or Asian markets, where virtually all of its exports are shipped.[25] Throughout the period of review, subject producers in Romania exported less small-diameter seamless SLP pipe ***. The record further reveals no indication that Silcotub ***.[26]

In light of these considerations, I determine that subject imports from Romania would likely have no discernible adverse impact on the domestic industry upon revocation.

III. No Likelihood of Material Injury by Reason of Subject Imports from Romania

1. Likely Volume

Having determined that subject imports from Romania are likely to have no discernible adverse impact on the domestic industry upon revocation, I further find that subject imports from Romania are not likely to increase in significant volumes upon revocation of the order. The quantity of U.S. shipments of subject small-diameter seamless SLP pipe from Romania was *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016. As a percentage of apparent U.S. consumption, subject imports from Romania ranged from *** percent to *** percent during the period of review. Following ArcleorMittal Romania's permanent shutdown of its small-diameter seamless SLP pipe production in 2015, the Romanian industry's production

[22] Silcotub Prehearing Brief at 21, Silcotub Foreign Producer Questionnaire, Question II-5e.

[23] Tenaris, a U.S. importer and affiliate of Silcotub, was responsible for *** percent of U.S. imports of small-diameter seamless SLP pipe from Romania in 2016. CR/PR at Table I-12. Respondents indicated that Tenaris has invested and plans to begin producing seamless pipe products in the United States at its new Bay City, Texas plant. Silcotub Prehearing Brief at 23. While Petitioners stated that the Bay City plant will serve as a "U.S.-based landing zone" for the subject merchandise, Respondents argue that the Bay City plant has been certified and will be producing OCTG products, with limited imports of small-diameter seamless SLP pipe to complement the plant's product offerings. Romanian Respondents Posthearing Brief at Exhibit 1, Q.VII, pp. 33-35. Thus, while Tenaris may continue to import very small volumes of small-diameter seamless SLP pipe from Romania in the reasonably foreseeable future, *** capacity restraints and customer commitments will prevent an increase in volume. *See* Romanian Respondents Posthearing Brief at Exhibit 1, Q.VII, pg. 34.

[24] CR/PR at Table IV-16.

[25] The EU antidumping duty order on small-diameter seamless SLP pipe from Romania was removed in 2007 when Romania joined the EU. TMK-Artrom Prehearing Brief at 2.

[26] Romanian Respondents Posthearing Brief at 1.

capacity decreased by *** percent in 2016. While Romania is highly export oriented, declining production during the period of review and regional focus on serving the EU market and several Middle Eastern markets will continue to limit the amount of subject imports from Romania in the reasonably foreseeable future.

Accordingly, I find that subject imports are unlikely to significantly increase in volume upon revocation of the order on small-diameter seamless SLP pipe from Romania.

2. Likely Price Effects

As discussed in Section V.B.2 of the Views of the Commission, I join my colleagues in finding that domestically produced seamless SLP pipe and subject imports from Romania are moderately substitutable, and that price is an important factor in purchasing decisions.

During the period of review, subject imports from Romania undersold the domestic like product in 11 of 19 instances, by margins of underselling ranging from *** to *** percent.[27] In the remaining eight instances, prices for small diameter SLP pipe from Romania were between *** and *** percent above prices for the domestic product.[28] The record for these reviews shows a mixed pattern of under- and overselling, and the limited underselling had no effect on domestic prices in light of the very small volume of imports that entered during the period of review.

Similarly, due to my finding that subject imports are unlikely to increase significantly upon revocation of the order, I further find that subject imports are unlikely to cause any adverse price effects upon revocation.

3. Likely Impact[29]

As discussed in Section V.F.2 of the Views of the Commission, I find that the domestic industry is in a vulnerable condition, and that its condition declined during the period of review. However, having found that revocation of the antidumping duty order on Romania is unlikely to result in a significant volume of subject imports or significant price effects upon revocation, I further find that subject imports from Romania would not likely have a significant impact on the domestic industry.

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[27] CR at V-17, PR at V-6, and Table V-8.

[28] CR at V-17, PR at V- 6, and Table V-8.

[29] The statute additionally instructs that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). In its expedited sunset review with respect to small diameter seamless SLP pipe from Romania, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted average margins of 106.7 percent. *Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania: Final Results of the Expedited Third Five-Year Sunset Reviews of the Antidumping Duty Orders,* 81 Fed. Reg. 93658 (Dec. 21, 2016). I take into account in my impact analysis the fact that Commerce has made this final finding, as well as consider other factors related to the domestic industry's condition.

4. Conclusion

Consequently, I conclude that if the order were revoked, subject imports from Romania would not be likely lead to a continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

PART I: INTRODUCTION

BACKGROUND

On September 1, 2016, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the antidumping duty orders on carbon and alloy seamless standard, line, and pressure pipe ("seamless SLP pipe") from Japan and Romania would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On December 5, 2016, the Commission determined that it would conduct full reviews pursuant to section 751(c) (5) of the Act. [4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

Effective date	Action
September 1, 2016	Commission's institution of five-year reviews (81 FR 60383)
September 1, 2016	Commerce's initiation of five-year reviews (81 FR 60343)
December 5, 2016	Commission's determinations to conduct full five-year reviews (81 FR 91199, December 16, 2016)
December 21, 2016	Commerce's final results of expedited five-year reviews of the antidumping duty orders (81 FR 93658)
March 30, 2017	Commission's scheduling of full five-year reviews (82 FR 16621, April 5, 2017)
August 8, 2017	Commission's hearing
September 19, 2017	Commission's vote
October 10, 2017	Commission's determinations and views

[1] 19 U.S.C. 1675(c).

[2] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From Japan and Romania; Institution of Five-Year Reviews;* 81 FR 60383*,* September 1, 2016. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping orders concurrently with the Commission's notice of institution. *Initiation of Five-Year ("Sunset") Review;* 81 FR 60343, September 1, 2016*.*

[4] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From Japan and Romania; Notice of Commission Determination To Conduct Full Five-Year Reviews,* 81 FR 91199*,* December 16, 2016. For the order on subject merchandise from Romania, the Commission found that both the domestic and respondent interested party group responses to its notice of institution were adequate and determined to proceed to a full review. For the order on subject merchandise from Japan, the Commission found that the domestic interested party group response was adequate and the respondent interested party group was inadequate, but that circumstances warranted conducting a full review.

[5] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the web site. A list of witnesses that appeared at the hearing is presented in appendix B of this report.

The original investigations

The original investigations resulted from a petition filed on June 30, 1999 by Koppel Steel Corp. ("Koppel"), Beaver Falls, Pennsylvania; Sharon Tube Co. ("Sharon"), Sharon, Pennsylvania; U.S. Steel Group ("U.S. Steel") Fairfield, Alabama; USS/Kobe Steel Co. ("USS-Lorain"), Lorain, Ohio; and Vision Metals' Gulf States Tube Division ("Gulf States"), Rosenberg, Texas, alleging that an industry in the United States was materially injured by reason of less-than-fair-value ("LTFV") imports of small diameter seamless SLP pipe from the Czech Republic, Japan, Romania, and South Africa, and by LTFV imports of large diameter seamless SLP pipe from Japan and Mexico. Following affirmative determinations of sales at LTFV by Commerce, in June 2000, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of small diameter seamless SLP pipe from Japan and South Africa and by LTFV imports of large diameter seamless SLP pipe from Japan.[6] In August 2000, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of small diameter seamless SLP pipe from the Czech Republic and Romania and large diameter seamless SLP pipe from Mexico.[7]

The first five-year reviews

On May 2, 2005, the Commission instituted its first five-year reviews to determine whether revocation of the antidumping duty orders on seamless SLP from the Czech Republic, Japan, Mexico, Romania, and South Africa would be likely to lead to continuation or recurrence of material injury.[8] On August 5, 2005, the Commission determined that it would conduct full reviews of all orders.[9] On April 24, 2006, the Commission determined that revocation of the antidumping duty orders on small diameter seamless SLP pipe from Japan and Romania and large diameter seamless SLP pipe from Japan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission also determined that revocation of the antidumping duty orders on small diameter seamless SLP pipe from the Czech Republic and South Africa, and large diameter seamless SLP pipe from Mexico, would not be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[10] On May 8, 2006, Commerce issued a continuation of the antidumping duty orders on large diameter seamless SLP pipe from Japan and on small diameter seamless SLP pipe from Japan and Romania.[11]

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[6] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Japan and South Africa: Investigation Nos. 731-TA-847 and 850 (Final)*, USITC Publication 3311, June 2000, p.1.

[7] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, Mexico, and Romania: Investigation Nos. 731-TA-846, 848 and 849 (Final)*, USITC Publication 3325, August 2000, p. 1.

[8] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Czech Republic, Japan, Mexico, Romania, and South Africa*, 70 FR 22688, May 2, 2005.

[9] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Czech Republic, Japan, Mexico, Romania, and South Africa*, 70 FR 49680, August 24, 2005.

[10] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From the Czech Republic, Japan, Mexico, Romania, and South Africa*, 71 FR 24860, April 27, 2006.

(*continued*…)

The second five-year reviews

On April 1, 2011, the Commission instituted its second five-year reviews to determine whether revocation of the antidumping duty orders on seamless SLP pipe from Japan and Romania would be likely to lead to continuation or recurrence of material injury.[12] On July 5, 2011, the Commission determined that it would conduct expedited reviews of all orders.[13] On August 5, 2011, Commerce published the final results of its expedited second five-year sunset reviews and determined that revocation of the antidumping duty order on large diameter pipe from Japan and the antidumping orders on small diameter pipe from Japan and Romania would be likely to lead to continuation or recurrence of dumping.[14] On September 22, 2011, the Commission determined that revocation of the subject orders would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[15] On October 11, 2011, Commerce issued a continuation of the antidumping duty orders on large diameter seamless SLP pipe from Japan and on small diameter seamless SLP pipe from Japan and Romania.[16]

RELATED INVESTIGATIONS

Seamless SLP pipe has been the subject of several prior import injury proceedings in the United States. The following tabulation presents information regarding previous antidumping duty, countervailing duty, and global safeguard investigations.

(…*continued*)

[11] *Certain Large diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Certain Small diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania: Continuation of Antidumping Duty Orders,* 71 FR 26746, May 8, 2006.

[12] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania,* 76 FR 18251, April 1, 2011.

[13] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania,* 76 FR 44608, July 26, 2011.

[14] *Certain Large diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Certain Small diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania: Final Results of Expedited Second Five-Year Sunset Reviews of the Antidumping Duty Orders,* 76 FR 47555, 47558, August 5, 2011.

[15] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania,* 76 FR 60083, September 28, 2011.

[16] *Certain Large diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Certain Small diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania: Continuation of Antidumping Duty Orders,* 76 FR 62762, October 11, 2011.

Year petition filed	Inv. number	Country	Current status
1980	731-TA-15	Japan	ITC Negative Final, order never issued
1982	731-TA-87	Japan	ITA revoked effective 10/29/85
1994	701-TA-362	Italy[1]	ITA revoked effective 8/8/00
1994	731-TA-707	Argentina[1]	ITA revoked effective 7/16/06
1994	731-TA-708	Brazil[1]	ITA revoked effective 7/16/06
1994	731-TA-709	Germany[1]	Continuation order effective 9/6/12 (77 FR 54926)
1994	731-TA-710	Italy[1]	ITA revoked effective 8/3/00
2000	731-TA-846	Czech Republic[1]	ITA revoked effective 8/14/05
2000	731-TA-848	Mexico[2]	ITA revoked effective 8/14/05
2000	731-TA-850	South Africa[1]	ITA revoked effective 8/14/05
2001	TA-201-73	Global	ITC negative determination 12/20/01
2009	701-TA-469 and 731-TA-1168	China	Continuation order effective 3/7/16 (81 FR 11837)

[1] Small diameter seamless SLP pipe only
[2] Large diameter seamless SLP pipe only.

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

SUMMARY DATA

Table I-1 presents a summary of terminal year data for small diameter seamless SLP pipe from the original investigations, the first reviews, the second reviews, and the current full five-year reviews. Complete data series are presented in Appendix C. Since the original investigations, U.S. consumption by quantity, decreased by *** percent. U.S. producers' share of apparent U.S. consumption by quantity decreased since the original investigations by *** percentage points, while total imports increased by approximately the same amount. The overall U.S. capacity and production decreased by *** percent and by *** percent, respectively, while capacity utilization decreased by *** percentage points since the original investigations. Since the original investigations, U.S. shipments decreased in quantity by *** percent and value by *** percent. Since the original investigations, the number of production and related workers decreased by *** percent, and the number of hours worked decreased by *** percent. Small diameter seamless SLP pipe imports from all sources increased by *** percent. This increase in total imports reflects the increase in nonsubject imports, which accounted for *** of total imports during the original investigations, and accounted for nearly all imports in 2016.

Table I-1
Small diameter seamless SLP pipe: Comparative data from the original investigations, first reviews, second reviews, and current reviews, 1999, 2004, 2010, and 2016

Item	Original investigations	First reviews	Second reviews	Current reviews
	1999	2004	2010	2016
	Quantity (short tons)			
U.S. consumption quantity	***	***	***	***
	Share of quantity (percent)			
Share of U.S. consumption: U.S. producers' share	***	***	***	***
U.S. importers' share.-- Czech Republic	***	***	(2)	(2)
Japan	***	***	***	***
Romania	***	***	***	***
South Africa	***	***	(2)	(2)
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
	Quantity (short tons)			
U.S. imports from[1].-- Czech Republic	***	1	(2)	(2)
Japan	***	79	3,678	***
Romania	***	18,718	1,761	***
South Africa	***	---	(2)	(2)
Subject sources	***	18,798	5,439	***
Nonsubject sources	***	124,607	112,472	***
All import sources	***	143,405	117,912	***
	Quantity (short tons); value (1,000 dollars); and unit value (dollars per short ton)			
U.S. industry.-- Capacity (quantity)	***	***	***	130,061
Production (quantity)	***	***	***	40,118
Capacity utilization (percent)[1]	***	***	***	30.8
U.S. shipments.-- Quantity	***	***	***	40,224
Value	***	***	***	71,397
Unit value	***	***	***	$1,775
Production workers	***	***	(3)	197
Hours worked (1,000)	***	***	(3)	335
Net sales (value)	***	***	***	71,946
Operating income (value)	***	***	***	4,347
Operating income to net sales (ratio)	***	***	***	6.0

Table continued on next page

Table I-1--Continued
Small diameter seamless SLP pipe: Comparative data from the original investigations, first reviews, second reviews, and current reviews, 1999, 2004, 2010, and 2016

[1]Reported U.S. imports in the original investigation are based on U.S. importers' U.S. shipments of imports.

[2] The orders on Czech Republic and South Africa were revoked after the Commission's negative determinations in the first review. U.S. imports from these sources are subsequently included in nonsubject imports.

[3] Employment data not available from the Second Review.

Note.--Shares shown as "0.0" represent values greater than zero, but less that 0.05 percent.

Source: Original investigations data are from INV-X-114, May 25, 2000; First review data are from INV-DD-036, March 28, 2006; Second review data are from INV-JJ-082, August 22, 2011; and data for this review are from other parts of this report.

Table I-2 presents a summary of terminal year data for large diameter seamless SLP pipe from the original investigations, the first full five-year reviews, the second reviews, and the current full five-year reviews. Complete data series are presented in Appendix C. Since the original investigations, U.S. consumption by quantity decreased by *** percent. U.S. producers' share of apparent U.S. consumption by quantity decreased since the original investigations by *** percentage points, while total imports increased by the same amount. The overall U.S. capacity and production decreased by *** percent and by *** percent, respectively, while capacity utilization decreased by *** percentage points since the original investigations. Since the original investigations, U.S. shipments decreased in quantity by *** percent and value by *** percent. The number of production and related workers decreased by *** percent, and the number of hours worked decreased by *** percent. The total quantity of large diameter seamless SLP pipe imports from all sources increased by *** percent. This increase in total imports coincided with the increase in nonsubject imports, which accounted for approximately *** of total imports during the original investigations, and now account for nearly all imports in 2016.

Table I-2
Large diameter seamless SLP pipe: Comparative data from the original investigations, first reviews, second reviews, and current reviews, 1999, 2004, 2010, and 2016

Item	Original investigations	First review	Second reviews	Current reviews
	1999	2004	2010	2016
	Quantity (short tons)			
U.S. consumption quantity	***	***	***	***
	Share of quantity (percent)			
Share of U.S. consumption.-- U.S. producers' share	***	***	***	***
U.S. importers' share.-- Japan	***	***	***	***
Mexico	***	***	(2)	(2)
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
U.S. imports from[1].-- Japan	***	***	5,860	***
Mexico	***	***	(2)	(2)
Subject sources	***	***	5,860	***
Nonsubject sources	***	***	146,344	***
All import sources	***	***	152,204	***
	Quantity (short tons); value (1,000 dollars); and unit value (dollars per short ton)			
U.S. industry: Capacity (quantity)	***	***	***	***
Production (quantity)	***	***	***	***
Capacity utilization (percent)[1]	***	***	***	***
U.S. shipments: Quantity	***	***	***	***
Value	***	***	***	***
Unit value	***	***	***	***
Production workers	***	***	(3)	***
Hours worked (1,000)	***	***	(3)	***
Net sales (value)	***	***	***	***
Operating income (value)	***	***	***	***
Operating income to net sales (ratio)	***	***	***	***

Table continued on next page

Table I-2--Continued
Large diameter seamless SLP pipe: Comparative data from the original investigations, first reviews, second reviews, and current reviews, 1999, 2004, 2010, and 2016
[1] Reported U.S. imports in the original investigation are based on U.S. importers' U.S. shipments of imports.
[2] The orders on Mexico were revoked after the Commission's negative determinations in the first review. U.S. imports from this source are subsequently included in nonsubject imports.
[3] Employment data not available from the Second Review.

Source: Original investigations data are from INV-X-114, May 25, 2000; First review data are from INV-DD-036, March 28, 2006; Second review data are from INV-JJ-082, August 22, 2011; and data for this review are from other parts of this report.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) any likely increase in production capacity or existing unused production capacity in the exporting country,*
>
> *(E) existing inventories of the subject merchandise, or likely increases in inventories,*
>
> *(F) the existence of barriers to the importation of such merchandise into countries other than the United States, and*
>
> *(G) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.*

(2) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

> *(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and*
> *(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

(3) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to–

> *(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*
> *(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*
> *(C) 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*
>
> *The Commission shall evaluate all such relevant economic factors within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.*

Section 752(a) (6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of report

Information obtained during the course of these reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for seamless SLP pipe as collected in these reviews is presented in appendix C. Ten U.S. producers of seamless SLP pipe submitted questionnaire responses to the Commission. These ten firms account for virtually all known production of seamless SLP pipe in the United States. All ten firms provided qualitative information that is included in this staff report. Data provided by ***, however, are not included in the staff report as the firm did not allocate its data to reflect its seamless SLP pipe operations. The data presented in the staff report are believed to represent approximately *** percent of U.S.-produced seamless SLP pipe.[17] U.S. import data and related information are based on *** records for nonsubject and total imports and subject country imports were based solely on entries that were assessed AD deposits ("dutied" imports). The Commission received questionnaire responses from 19 U.S. importers of both small and large diameter seamless SLP

pipe. The vast majority of U.S. imports of both small and large diameter seamless SLP pipe were from nonsubject countries. Staff did not receive any questionnaire responses for U.S. imports of small diameter seamless SLP pipe from Japan. U.S. imports of small diameter seamless SLP pipe from Romania were limited but exceeded reported imports, which accounted for all or nearly *** of the U.S. imports of small diameter seamless SLP pipe from Romania in 2016. Questionnaire responses from importers of small diameter seamless SLP pipe accounted for *** percent as a share of total U.S. imports of small diameter seamless SLP pipe in 2016. U.S. imports of large diameter seamless SLP pipe from Japan were small (***), but accounted for *** percent of large diameter seamless SLP pipe imports from Japan in 2016. Questionnaire responses from importers of large diameter seamless SLP pipe accounted for *** percent as a share of total imports of large diameter seamless SLP pipe in 2016.

Foreign industry data and related information are based on the questionnaire responses of three producers of seamless SLP pipe in Romania that accounted for the vast majority of total production of small diameter seamless SLP. No producers in Japan submitted completed questionnaire responses.[18] Responses by U.S. producers, importers, purchasers, and foreign producers of seamless SLP pipe to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of revocation of such orders are presented in appendix D.

COMMERCE'S REVIEWS

Administrative reviews[19]

Commerce has completed a series of antidumping duty administrative reviews with regard to subject imports of seamless SLP pipe from Romania.[20] The results of the administrative reviews are shown in table I-3 (small diameter seamless SLP pipe from Romania), table I-4 (small diameter seamless SLP pipe from Japan), and table I-5 (large diameter seamless SLP pipe from Japan).[21]

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[17] *** completed a U.S. producer questionnaire that has been partially included in this report, but did not provide allocated quantitative data that was deemed reliable despite many requests from staff to amend and update its U.S. producer questionnaire. *** qualitative responses have been included among those of U.S. producers, but not its unallocated data.

[18] *** submitted a foreign producer questionnaire that was incomplete. The questionnaire was missing production and trade related data. A representative for *** indicated that it had not exported subject merchandise to the United States, and that it was not a manufacturer. "***" Email from ***, June 28, 2017.

[19] Commerce has not issued any duty absorption findings or anti-circumvention findings since the imposition of the antidumping duty orders. In addition, there have been no scope inquiry reviews or changed circumstances reviews since the imposition of the antidumping duty orders.

[20] For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

[21] Since the antidumping duty orders have been imposed, Commerce has not conducted any duty absorption rulings.

Table I-3
Small diameter seamless SLP pipe: Administrative reviews of the antidumping duty order on Romania

Date results published	Period of review	Producer or exporter	Margin (percent)
March 17, 2003 (68 FR 12672)	February 2000 to July 2001	S.C. Silcotub, S.A.	0.04
March 17, 2003 (68 FR 12672)	February 2000 to July 2001	All others	13.06
September 17, 2003 (68 FR 54418)	August 1, 2001 to July 31, 2002	S.C. Silcotub, S.A.	0
September 17, 2003 (68 FR 54418)	August 1, 2001 to July 31, 2002	All others	13.06
March 23, 2005 (70 FR 14648)	August 1, 2002 to July 31, 2003	S.C. Silcotub, S.A.	1.35
March 23, 2005 (70 FR 14648)	August 1, 2002 to July 31, 2003	All others	13.06
July 18, 2005 (70 FR 41206)	August 1, 2003 to July 31, 2004	S.C. Silcotub, S.A.	15.15
July 18, 2005 (70 FR 41206)	August 1, 2003 to July 31, 2004	All others	13.06
March 22, 2006 (71 FR 14501)	August 1, 2004 to July 31, 2005	S.C. Silcotub, S.A.	15.15
March 22, 2006 (71 FR 14501)	August 1, 2004 to July 31, 2005	All others	13.06
November 9, 2012 (77 FR 67336)	August 1, 2010 to July 31, 2011	ArcelorMittal Tubular Products Roman S.A.	0
October 23, 2013 (78 FR 63164)	August 1, 2011 to July 31, 2012	ArcelorMittal Tubular Products Roman S.A.	0
October 23, 2013 (78 FR 63164)	August 1, 2011 to July 31, 2012	All others	13.06

Source: Cited Federal Register notices.

Table I-4
Small diameter seamless SLP pipe: Administrative reviews of the antidumping duty orders on Japan

Date results published	Period of review	Producer or exporter	Margin (percent)
November 16, 2016 (81 FR 80640)	June 2014 to May 31, 2015	JFE Steel Corporation; Nippon Steel Corporation; Nippon Steel and Sumitomo Metal Corporation; and Sumitomo Metal Industries, Ltd.	106.07

Source: Cited Federal Register notices.

Table I-5
Large diameter seamless SLP pipe: Administrative reviews of the antidumping duty orders on Japan

Date results published	Period of review	Producer or exporter	Margin (percent)
October 27, 2011 (76 FR 66688)	June 1, 2009 to May 31, 2010	JFE Steel Corporation; Nippon Steel Corporation; NKK Tubes; and Sumitomo Metal Industries, Ltd.	(1)
May 10, 2012 (77 FR 27428)	June 2010 to May 31, 2011	JFE Steel Corporation; Nippon Steel Corporation; NKK Tubes; and Sumitomo Metal Industries, Ltd.	(1)
March 17, 2013 (78 FR 64475)	June 2011 to May 31, 2012	JFE Steel Corporation; Nippon Steel Corporation; NKK Tubes; and Sumitomo Metal Industries, Ltd.	(1)
November 17, 2014 (79 FR 68408)	June 2012 to May 31, 2013	JFE Steel Corporation; Nippon Steel Corporation; NKK Tubes	(1)
November 17, 2014 (79 FR 68408)	June 2012 to May 31, 2013	Sumitomo Metal Industries, Ltd.	107.8
November 16, 2016 (81 FR 80635)	June 2014 to May 31, 2015	JFE Steel Corporation; Nippon Steel Corporation; NKK Tubes; and Sumitomo Metal Industries, Ltd.	107.8

[1] Final determination of no shipments by the respondent interested parties.

Source: Cited Federal Register notices.

Five-year reviews

Commerce issued the final results of its antidumping duty order expedited third reviews with respect to Japan and Romania on December 21, 2016.[22] Tables I-6 through I-8 present the antidumping margins calculated by Commerce in its original investigations and five-year reviews.

[22] *Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan; Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and Romania: Final Results of the Expedited Third Five-Year Sunset Reviews of the Antidumping Duty Orders,* 81 FR 93658, December 21, 2016.

Table I-6
Small diameter seamless SLP pipe: Commerce's original first five-year, second five-year, and third five-year dumping margins for producers/exporters in Japan

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)	Third five-year review margin (*percent*)[1]
Nippon Steel Corporation	106.7	106.7	106.7	[2]
Kawasaki Steel Corporation	106.7	106.7	106.7	[2]
Sumitomo Metal Industries, Ltd.	106.7	106.7	106.7	[2]
All others	70.43	70.43	70.43	106.7

[1] Commerce presented margins for country-wide only.
[2] Commerce reported the final results of its sunset reviews as follows: "We are issuing and publishing these final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act and 19 CFR 351,218. Department determines that revocation of the order on large diameter pipe from Japan and the orders on small diameter pipe from Japan and Romania would be likely to lead to continuation or recurrence of dumping up to" the figures presented above for each country.

Source: Compiled from *Federal Register* notices of the U.S. Department of Commerce.

Table I-7
Large diameter seamless SLP pipe: Commerce's original first five-year, second five-year, and third five-year dumping margins for producers/exporters in Japan

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)	Third five-year review margin (*percent*)[1]
Nippon Steel Corporation	107.80	107.80	107.80	[2]
Kawasaki Steel Corporation	107.80	107.80	107.80	[2]
Sumitomo Metal Industries, Ltd.	107.80	107.80	107.80	[2]
All others	68.88	68.88	68.88	107.80

[1] Commerce presented margins for country-wide only.
[2] Commerce reported the final results of its sunset reviews as follows: "We are issuing and publishing these final results and notice in accordance with sections 751(c),752(c), and 777(i)(1) of the Act and 19 CFR 351,218. Department determines that revocation of the order on large diameter pipe from Japan and the orders on small diameter pipe from Japan and Romania would be likely to lead to continuation or recurrence of dumping up to" the figures presented above for each country.

Source: Compiled from *Federal Register* notices of the U.S. Department of Commerce.

Table I-8
Small diameter seamless SLP pipe: Commerce's original, first five-year, second five-year, and third five-year dumping margins for producers/exporters in Romania

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)	Third five-year review margin (*percent*)[1]
Metal Business International S.R.L.	11.08	11.08	11.08	(3)
S.C. Petrotub S.A.	(2)	11.08	11.08	(3)
Sota Comm. Co.	15.15	15.15	15.15	(3)
S.C. Silcotub	(2)	15.15	15.15	(3)
All others	13.06	13.06	13.06	14.25

[1] Commerce presented margins for country-wide only.
[2] No original margin issued by Commerce.
[3] Commerce reported the final results of its sunset reviews as follows: "We are issuing and publishing these final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act and 19 CFR 351,218. Department determines that revocation of the order on large diameter pipe from Japan and the orders on small diameter pipe from Japan and Romania would be likely to lead to continuation or recurrence of dumping up to" the figures presented above for each country.

Source: Compiled from *Federal Register* notices of the U.S. Department of Commerce.

THE SUBJECT MERCHANDISE

Commerce's scope[23]

Commerce has defined the subject merchandise as:

Large Diameter Pipe from Japan

The products covered by this order are large diameter seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes produced, or equivalent, to the American Society for Testing and Materials (ASTM) A-53, ASTM A-106, ASTM A-333, ASTM A- 334, ASTM A-589, ASTM A-795, and the American Petroleum Institute (API) 5L specifications and meeting the physical parameters described below, regardless of application. The scope of this order also includes all other products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification, with the exception of the exclusions discussed below. Specifically included within the scope of this order are seamless pipes greater than 4.5

[23] *Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan (A-588-850), Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan (A-588-851) and Romania (A-485-805),* December 15, 2016.

inches (114.3 mm) up to and including 16 inches (406.4 mm) in outside diameter, regardless of wall-thickness, manufacturing process (hot finished or cold drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish.

The seamless pipes subject to this order are currently classifiable under the subheadings 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5050, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070 of the Harmonized Tariff Schedule of the United States (HTSUS).

Specifications, Characteristics, and Uses: Large diameter seamless pipe is used primarily for line applications such as oil, gas, or water pipeline, or utility distribution systems. Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the ASTM A-106 standard may be used in temperatures of up to 1000 degrees Fahrenheit, at various American Society of Mechanical Engineers (ASME) code stress levels. Alloy pipes made to ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard. Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service.

They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipelines. Seamless line pipes are produced to the API 5L specification. Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers typically triple or quadruple certify the pipes by meeting the metallurgical requirements and performing the required tests pursuant

to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

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

The scope of this order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, with the exception of the exclusions discussed below, whether or not also certified to a non-covered specification. Standard, line, and pressure applications and the above-listed specifications are defining characteristics of the scope of this review. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, and API 5L specifications shall be covered if used in a standard, line, or pressure application, with the exception of the specific exclusions discussed below.

For example, there are certain other ASTM specifications of pipe, which, because of overlapping characteristics, could potentially be used in ASTM A-106 applications. These specifications generally include ASTM A-161, ASTM A-192, ASTM A-210, ASTM A-252, ASTM A-501, ASTM A-523, ASTM A-524, and ASTM A-618. When such pipes are used in a standard, line, or pressure pipe application, such products are covered by the scope of this order.

Specifically excluded from the scope of this order are: A. Boiler tubing and mechanical tubing, if such products are not produced to ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, and API 5L specifications and are not used in standard, line, or pressure pipe applications. B. Finished and unfinished oil country tubular goods ("OCTG"), if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in this scope when used in standard, line or pressure applications. C. Products produced to the A-335 specification unless they are used in an application that would normally utilize ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, and API 5L specifications. D. Line and riser pipe for deepwater application, *i.e.*, line and riser pipe that is (1) used in a deepwater application, which means for use in water depths of 1,500 feet or more; (2) intended for use in and is actually used for a specific deepwater project; (3) rated for a specified minimum yield strength of not less

than 60,000 psi; and (4) not identified or certified through the use of a monogram, stencil, or otherwise marked with an API specification (*e.g.*, API 5L).

With regard to the excluded products listed above, the Department will not instruct U.S. Customs and Border Protection (CBP) to require end-use certification until such time as the petitioner or other interested parties provide to the Department a reasonable basis to believe or suspect that the products are being utilized in a covered application. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which evidence is provided that such products are being used in a covered application as described above. For example, if, based on evidence provided by Petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to the A-335 specification is being used in an A-106 application; we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

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

Small Diameter Pipe from Japan and Romania

The products covered by these orders include small diameter seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes and redraw hollows produced, or 5equivalent, to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and the API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of these orders also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification. Specifically included within the scope of these orders are seamless pipes and redraw hollows, less than or equal to 4.5 inches (114.3 mm) in outside diameter, regardless of wall-thickness, manufacturing process (hot finished or cold drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish.

The seamless pipes subject to these orders are currently classifiable under the subheadings 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025 of the HTSUS.

Specifications, Characteristics, and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at

elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the ASTM A-106 standard may be used in temperatures of up to 1000 degrees Fahrenheit, at various ASME code stress levels. Alloy pipes made to ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.
Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

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

Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers typically triple or quadruple certify the pipes by meeting the metallurgical requirements and performing the required tests pursuant to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

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

Redraw hollows are any unfinished pipe or “hollow profiles” of carbon or alloy steel transformed by hot rolling or cold drawing/hydrostatic testing or other methods to enable the material to be sold under ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications.

The scope of these orders includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, with the exception of the specific exclusions discussed below, and whether or not also certified to a noncovered specification. Standard, line, and pressure applications and the above-listed specifications are defining characteristics of the scope of the orders. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications shall be covered if used in a standard, line, or pressure application, with the exception of the specific exclusions discussed below.

For example, there are certain other ASTM specifications of pipe, which, because of overlapping characteristics, could potentially be used in ASTM A-106 applications. These specifications generally include ASTM A-161, ASTM A-192, ASTM A-210, ASTM A-252, ASTM A-501, ASTM A-523, ASTM A-524, and ASTM A-618. When such pipes are used in a standard, line, or pressure pipe application, such products are covered by the scope of these orders.

Specifically excluded from the scope of these orders are boiler tubing and mechanical tubing, if such products are not produced to ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications and are not used in standard, line, or pressure pipe applications. In addition, finished and unfinished OCTG are excluded from the scope of these orders, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in these scopes when used in standard, line or pressure applications.

With regard to the excluded products listed above, the Department will not instruct CBP to require end-use certification until such time as Petitioner or other interested parties provide to the Department a reasonable basis to believe or suspect that the products are being used in a covered application. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which evidence is provided that such products are being used in covered applications as described above. For example, if, based on evidence provided by Petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to the A-161 specification is being used in a standard, line or pressure application, we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise under these orders is dispositive.

U.S. tariff treatment

The imported seamless standard, line, and pressure pipes subject to these reviews are principally classified in the 2017 Harmonized Tariff Schedule of the United States ("HTS") in subheadings 7304.19.10 and 7304.19.50 (tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel other than stainless steel); 7304.39.00 (tubes, pipes and hollow profiles, seamless, of circular cross section, of iron (other than cast iron) or nonalloy steel, other than cold-drawn or cold rolled (cold reduced)); and 7304.59.60 and 7304.59.80 (tubes, pipes and hollow profiles, seamless, of circular cross section, of iron (other than cast iron) or other alloy steel, other than cold-drawn or cold-rolled (cold-reduced)).[25] [26] HTS subheadings and statistical reporting numbers are provided for convenience and customs purposes only; the written description of the subject merchandise in Commerce's scope is dispositive. The column-1 general (normal trade relations) rates of duty for the subject product under all covered subheadings are free.

THE DOMESTIC LIKE PRODUCT

Overview

Steel pipe and tubes are made in circular, rectangular, or other cross sections, and are generally manufactured by either the welded or seamless process. Steel pipe and tube manufactured by either process can be categorized by the carbon and alloy grades used in steel production. In addition, steel pipe and tube can be further categorized by end-use. The American Iron and Steel Institute (AISI) has defined six such end-use categories: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods (OCTG).[27]

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[25] The Commission issued questionnaires to firms identified in responses to the notice of institution, along with firms that, based on data provided by U.S. Customs and Border Protection ("Customs"), may have imported greater than one percent of total imports under the relevant HTS statistical reporting numbers. Imports of seamless SLP pipe are primarily reported under the following HTS provisions:

- Small diameter seamless SLP pipe: 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025.
- Large diameter seamless SLP pipe: 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5050, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070.

Subject imports from Japan and Romania are based solely on entries that were assessed antidumping duty deposits ("dutied" imports), while "nondutied" entries from Japan and Romania were removed from the total.

[26] Based on staff inquiries, the presented HTS statistical reporting numbers have been refined to exclude mechanical tubing and tubing suitable for use in boilers, superheaters, heat exchangers, condensers, refining furnaces and feedwater heaters.

[27] OCTG are steel pipe and tubes used in the drilling of oil and gas wells and in the conveying of oil and gas from within the well to ground level. Standard, line, and pressure pipe is generally intended to convey liquids and is typically tested and rated for its ability to withstand hydrostatic pressure.

(*continued*…)

Description and uses[28]

Standard, line, and pressure pipe is generally intended to convey liquids and is typically tested and rated for its ability to withstand hydrostatic pressure. Seamless standard pipe is most commonly produced to American Society for Testing and Materials ("ASTM") A-53 specification, and is generally intended for the low pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinklers, and other related uses.[29] Seamless line pipe is produced to the American Petroleum Institute ("API") 5L specification, and is intended for the conveyance of oil and natural gas and other fluids in pipelines. Seamless pressure pipe is commonly produced to ASTM A-106 specification, and is intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gases in industrial piping systems.[30]

Most steel products, including those subject to these reviews, are produced from carbon steel, which contains controlled amounts of carbon and manganese. Alloy steels, which provide physical properties not achievable to the same degree with carbon steels, contain controlled amounts of alloying elements–usually, nickel, chromium and molybdenum. The distinguishing characteristics of alloy steel pipe are its physical properties, which make the alloy steel pipe suitable for application in high temperature or low temperature service. Uses can differ from those of carbon steel pipe, based upon the service requirements and temperature and pressure requirements of the American Society of Mechanical Engineers ("ASME") Boiler and Pressure Code.

For the purposes of this report, small diameter seamless SLP pipe is less than or equal to 4.5 inches (114 mm) in OD, whereas large diameter seamless SLP pipe is greater than 4.5 inches (114 mm) up to and including 16 inches (406 mm) in OD. Small diameter seamless SLP pipe is most frequently used in petrochemical and other non-pipeline applications. Small diameter seamless SLP pipe ranging from 0.5 to 1.5 inches OD may be used for high-pressure construction applications–for example, in refineries or chemical plants. Small diameter seamless SLP pipe in sizes ranging from 2 to 3 inches in outside diameter is typically pressure pipe used for high-pressure industrial applications.[31] Seamless SLP pipe with larger outside diameters (especially pipe with an OD greater than 4.5 inches (corresponding to a nominal pipe size of 4)) is typically line pipe used in gas transmission, as well as in pipeline construction.

(*continued*…)

Structural pipe and tubing is used for load-bearing purposes and construction, and only small amounts of seamless pipe are used in structural applications. Seamless mechanical tubing is typically a custom designed product employed within the automotive industry and by equipment manufacturers.

[28] Unless otherwise noted, this information is based on *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania, Inv. No. 731-TA-847 and 849 (Second Review)*, USITC Publication 4262, September 2011, pp. I-9 through I-10.

[29] Depending on the type and grade, however, standard pipe may carry liquids at elevated temperatures but must not exceed relevant American Society of Mechanical Engineers ("ASME") code requirements. If exceptionally low temperature end uses or conditions are anticipated, seamless standard pipe may be produced to meet ASTM A-333 and A-334 specifications (covering carbon and alloy seamless pipe and tube for low temperature service). *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final)*, USITC Publication 4190, November 2010, p. I-11.

(*continued*…)

Manufacturing processes[32]

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

Typically, pipe is furnished hot-finished. However, small diameter pipe of less than two inches in OD is often cold drawn because hot rolling of small diameter pipe is frequently not possible. Pipe also may be cold drawn in order to provide a surface finish smoother than that that can be produced by hot finishing. When pipe is to be cold drawn, seamless hollows (redraw hollows) are first pickled in acid to remove scale and oxides from both the outside and inside surfaces. The redraw hollows are then rinsed in water and coated with a lubricant for cold drawing. The hollow is pulled through a die and over an internal mandrel, which reduces the outside diameter and increases the length. The mandrel inside the hollow controls the diameter and the wall thickness (figure I-1). Following cold drawing, the hollows are annealed (heat treated).[33]

(…*continued*)

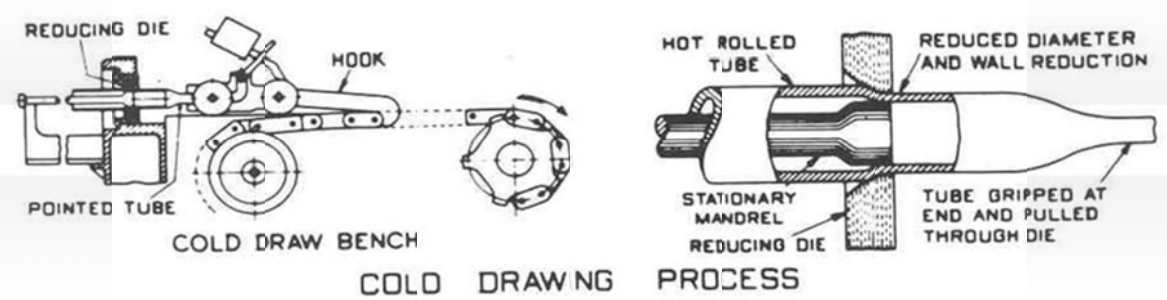
[30] Seamless alloy pipes made to the ASTM A-335 specification (covering alloy steel pipe for high temperature service) must be used if temperatures and stress levels exceed those allowed for ASTM A-106. *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final)*, USITC Publication 4190, November 2010, p. I-11 n. 21.

[31] Seamless pipe in this size range is also used in line pipe applications, in particular for gathering lines connecting oil and natural gas wells to transmission lines. *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final)*, USITC Publication 4190, November 2010, p. I-12 and nn. 26 and 27.

[32] Unless otherwise noted, this information is based on *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania, Inv. Nos. 731-TA-847 and 849 (Second Review),* USITC Publication 4262, September 2011, pp. I-10-11.

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

Figure I-1: Seamless pipe diagram of the cold drawing process



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

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

DOMESTIC LIKE PRODUCT ISSUES

The Commission's decision regarding the appropriate domestic product(s) that are "like" the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) common manufacturing facilities and production employees; (4) customer and producer perceptions; (5) channels of distribution; and (6) price. Based on its definition of the domestic like product, the Commission defined two domestic like products: small diameter seamless SLP pipe; and large diameter seamless SLP pipe in the original investigations.[34] In the full first five-year review determinations, and expedited second five-year review determinations, the Commission again found the following two domestic like products and domestic industries corresponding to Commerce's scope of the investigations: (1) small diameter carbon and alloy[35] seamless standard, line, and pressure pipe and (2) large diameter carbon and alloy seamless standard, line, and pressure pipe.[36]

In its notice of institution for these third five-year 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 interested parties agreed with the Commission's definitions, but argued that the Commission

[34] In the original investigations, the Commission concluded that seamless carbon pipe and seamless alloy pipe did not constitute separate domestic like products; however, Commissioners Hillman and Askey dissented, and found that carbon and alloy seamless SLP pipe constituted separate domestic like products. *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Japan and South Africa: Investigation Nos. 731-TA-847 and 850 (Final)*, USITC Pub. 3311, June 2000, pp. 30, 42.

[35] ASTM specifications that include alloy steel are ASTM A-333 and A-334 (covering carbon and alloy seamless pipe and tube for low temperature service) and ASTM A-335 (covering alloy steel pipe for high temperature service). Commerce's scope for large diameter, but not small diameter, seamless SLP pipe, excludes ASTM A-335 pipe.

[36] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania, Inv. Nos. 731-TA-847 and 849*, USITC Publication 4262, September 2011, pp. 5-6 and I-8.

should cease defining small and large diameter seamless SLP pipe as separate like products. The domestic interested parties' argument was based on recent consolidation by U.S. producers and the fact that the antidumping and countervailing duty orders on seamless SLP pipe from China covers both small- and large diameter products.[37] In their prehearing brief, the domestic interested parties argued that the Commission should continue to find two domestic industries: all domestic producers of small diameter seamless pipe and all domestic producers of large diameter seamless pipe.[38] However, at the Commission's hearing, the domestic interested parties indicated that the respondent parties' statements on a single domestic like product were "appropriate." [39] [40] The domestic interested parties did not address the domestic like product in their posthearing brief.

In its response to the notice of institution, TMK Artom tentatively agreed with the like product definitions but took no position on the domestic industry definitions, while Silcotub and Tenaris did not object to the domestic like product or domestic industry definitions.[41] [42] In its prehearing brief, TMK Artom argued, "there was no longer a clear dividing line between small and large diameter seamless SLP pipe, and the Commission should define a single domestic like product as all seamless SLP pipe coextensive with the scope of the orders."[43] Tenaris and Silcotub did not address the domestic like product in its prehearing brief. At the Commission's hearing, the respondent interested parties indicated that after they reviewed Vallourec Star and U.S. Steel's comments in their response to the notice of institution and the data collected by the Commission, they agreed that there is a single domestic like product comprised of all seamless SLP pipe.[44] In their joint posthearing brief, the respondent interested parties indicated that they supported a single domestic like product and industry in support for their argument for decumulation.[45] Respondent interested parties also indicated that subject imports from Romania would be even smaller relative to a combined single like product U.S. market, and they would have less of a market share. [46]

Information regarding these factors is discussed below and presented in table I-9. The Commission solicited comments from U.S. producers and U.S. purchasers regarding the appropriate domestic like product and domestic industry. The Commission asked about the comparability of small diameter and large diameter seamless SLP pipe. Of the 10 U.S. producers who submitted questionnaires, at least nine U.S. producers answered all the questions, and of

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[37] *Domestic interested parties' Response to the Notice of Institution*, October 3, 2016, pp. 30-31.

[38] Domestic interested parties' prehearing brief, p. 4

[39] Hearing transcript, p. 45 (Schagrin).

[40] "And finally, while it's not critical to the Commission's analysis in this case, we do know that the Commission in the companion Chinese dumping case concerning seamless pipe {in 2010} found a single like product comprised of large and small diameter pipe. This was the position advocated by the same U.S. Producers before you today. This like product was just reaffirmed by the Commission in February of 2016." Hearing transcript, p. 12 (Cannistra).

[41] *TMK Artom's Response to the Notice of Institution*, October 3, 2016, p. 9.

[42] *Silcotub and Tenaris' Response to the Notice of Institution*, October 3, 2016, p. 12.

[43] TMK Artom's prehearing brief, p. 4.

[44] Hearing transcript, pp. 92-93 (Caryl).

[45] Respondent interested parties' posthearing brief, p. 4.

[46] Respondent interested parties' posthearing brief, p. 38.

the 11 U.S. purchasers who submitted questionnaires, at least seven U.S. purchasers answered all of the questions.

Table I-9
Seamless SLP pipe: U.S. producers' and U.S. purchasers' responses to the domestic like product comparisons for small and large diameter seamless SLP pipe

Comparability of small vs large seamless SLP pipe by factors	U.S. producers				U.S. purchasers			
	Fully	Mostly	Some what	Not at all	Fully	Mostly	Some what	Not at all
Physical characteristics and uses	1	3	2	2	3	5	1	0
Interchangeability	1	1	1	5	1	1	0	6
Common manufacturing facilities and production employees	2	1	3	1	0	2	3	2
Channels of distribution	5	2	1	0	2	5	2	0
Customer and producer perception	2	1	3	0	1	4	2	2
Price	1	1	3	2	0	2	6	1

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

Physical characteristics and uses

Eight U.S. producers and nine U.S purchasers addressed the characteristics and uses question.[47] Four U.S. producers indicated that small diameter and large diameter seamless SLP pipe were either fully or mostly comparable, while eight U.S. purchasers indicated the same. Four U.S. producers and one U.S purchaser indicated that small and large diameter were either somewhat comparable or not at all comparable. At the Commission's hearing, respondent interested parties argued that while there is limited interchangeability between small and large diameter seamless SLP pipe, the diameter is the main physical difference between small and large diameter. The Respondent interested parties contend that both small and large diameter seamless SLP pipe are used predominantly "for transmission of fluids and gas under pressure with no clear dividing line for uses or applications."[48]

Interchangeability

Eight U.S. producers and eight purchasers addressed the question regarding interchangeability.[49] Five U.S. producers and six U.S. purchasers indicated that small diameter and large diameter seamless SLP pipe were not at all interchangeable, while one producer

[47] One U.S. producer indicated that the question was not applicable (not listed in table).

[48] Hearing transcript, p.93 (Caryl).

[49] One U.S. producer indicated that the question was not applicable (not listed in table).

indicated that it was somewhat interchangeable. One U.S. purchaser indicated that it was mostly interchangeable. Two U.S. producers indicated that small diameter and large diameter seamless SLP pipe were either fully or mostly interchangeable, while one producer indicated that the question was not applicable. At the Commission's hearing, the respondent interested parties argued that there is (frequently) limited interchangeability with continuum like products, and that this is consistent with previous single like product findings by the Commission.[50]

Common manufacturing facilities and production employees

Seven U.S. producers and seven U.S. purchasers addressed the question regarding the comparability of the manufacturing facilities, production processes, and production employees between small diameter and large diameter seamless SLP pipe.[51] Three U.S. producers and three U.S. purchasers indicated that small diameter and large diameter manufacturing facilities and production employees were somewhat similar. Three U.S. producers and two purchasers indicated that either the facilities and employees were fully the same or mostly the same, while one U.S. producer and two purchasers indicated that they were not at all the same.

Customer and producer perceptions

Six U.S. producers and nine U.S. purchasers addressed the question regarding the market perceptions (of the customer and producer) were comparable between small diameter and large diameter seamless SLP pipe.[52] Three U.S. producers and five purchasers indicated that the perceptions were either fully comparable or mostly comparable, while three U.S. producers indicated that they were somewhat comparable and four purchasers indicated that they were either somewhat comparable or not at all.

Channels of distribution

Eight U.S. producers and nine U.S. purchasers addressed the question regarding the channels of distribution (there were eleven responses) and the comparability between small diameter and large diameter seamless SLP pipe. Seven U.S. producers and seven U.S. purchasers indicated that the channels of distribution were either fully the same or mostly the same, while one U.S. producer and two purchasers indicated that the channels of distribution were somewhat the same. Three U.S. producers indicated that the question was not applicable. For both small and large diameter seamless SLP pipe, U.S. producers shipped largely (more than 80 percent) to distributors in 2016. In their posthearing brief, the respondent interested parties indicated that both small and large diameter seamless SLP pipe are both sold through distributors.[53] *** indicated that "***."[54]

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[50] Hearing transcript, p. 134 (Caryl).
[51] Three U.S. producers indicated that the question was not applicable (not listed in table).
[52] Four U.S. producers indicated that the question was not applicable (not listed in table).
[53] Respondent interested parties' posthearing brief, p. 37.
[54] *** questionnaire response, section V-1.

Price

All of the U.S. producers and nine U.S. purchasers responded to the question regarding price, while 10 of 11 purchasers reported purchasing both small and large diameter pipe.[55] Five U.S. producers and seven U.S. purchasers indicated that the price of small diameter compared to large diameter seamless SLP pipe was either somewhat or not at all comparable, while two firms indicated that it was either fully or mostly comparable. Three U.S. producers indicated that the question was not applicable.[56] The average unit value of U.S. producers' U.S. shipments of small diameter seamless SLP pipe was $1,775 per short ton during 2016, while it was $*** per short ton for large diameter seamless SLP pipe.

U.S. MARKET PARTICIPANTS

U.S. producers

During the original investigations, eight firms supplied the Commission with information on their U.S. operations with respect to seamless SLP pipe. These firms accounted for the vast majority of U.S. production of seamless SLP pipe in 1999.[57] In the first five-year reviews, five firms provided the Commission with U.S. producer's questionnaires. These firms accounted for the majority of U.S. production of seamless SLP pipe in 2004. In these current proceedings, the Commission issued U.S. producers' questionnaires to 15 firms, 10 of which provided the Commission with information on their product operations.[58] These ten firms are believed to account for approximately *** percent U.S. production of seamless SLP pipe in 2016. Presented in table I-10 is a list of current domestic producers of product and each company's position on continuation of the orders, production locations, related and/or affiliated firms, and share of reported production of seamless SLP pipe in 2016. Four of nine producers of small diameter seamless SLP pipe that provided usable data also produce large diameter seamless SLP pipe; these producers accounted for more than *** percent of reported small diameter seamless SLP pipe production in the United States in 2016. All producers of large diameter seamless SLP pipe also produce small diameter seamless SLP pipe; these producers accounted for 100 percent of reported large diameter seamless SLP pipe production in the United States in 2016. The overlap in producers is somewhat understated, as data from *** (which produces both small and large diameter seamless SLP pipe) were not usable.[59]

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[55] Of the 11 responding purchasers, 10 purchased both the small and large diameter domestic seamless SLP pipe, while zero purchased imports of the subject merchandise from Japan.

[56] *** indicated the pricing was fully comparable, and that "Pricing somewhat follows size. Costs to produce a ton are inversely related to size (smaller sizes are more costly to produce per ton)." *** questionnaire response, section V-1.

[57] The eight U.S. producers that supplied the Commission with usable questionnaire information during the original investigations were: (1) Gulf States Tube Co. ("Gulf States"); (2) Koppel; (3) Michigan Specialty ((Michigan Seamless Tube"); (4) North Star Steel ("NorthStar"); (5) Sawhill Tubular, Inc. (6) Sharon; (7) Timken; and (8) U.S. Steel.

[58] *** U.S. producer questionnaire was only partially used for its qualitative data.

[59] *** is not included. *** produced large diameter seamless SLP pipe in 2014 and 2015, but it only produced small diameter seamless SLP pipe in 2016.

Table I-10
Seamless SLP pipe: U.S. producers, positions on orders, U.S. production locations, related and/or affiliated firms, and shares of 2016 reported U.S. production of small and large diameter pipe, 2016

Firm	Position on orders	Production location(s)	Share of production: Small diameter (percent)	Share of production: Large diameter (percent)
ArcelorMittal Tubular	***	Shelby, OH	***	***
Benteler	***	Shreveport, LA	***	***
IPSCO Koppel (TMK IPSCO)	***	Koppel, PA Ambridge, PA	***	***
MS Tube	***	South Lyon, MI	***	***
Plymouth	***	Winamac, IN	***	***
PTC	***	Darlington, PA	***	***
TimkenSteel	***	Canton, OH	***	***
U.S. Steel	Support	Fairfield, AL Lorain, OH	***	***
Vallourec Star	Support	Youngstown, OH Houston, TX	***	***
Webco	***	Sand Springs, OK Tulsa, OK Orange, TX	***	***
Total			100.0	100.0

Note.—*** U.S. producer questionnaire was only partially used for its qualitative data. Source: Compiled from data submitted in response to Commission questionnaires.

Table I-11 presents U.S. producers' ownership, related and/or affiliated firms for both small and large diameter, since January 2013. Four U.S. producers are related to foreign producers and the same four are related to U.S. importers of the subject merchandise. In addition, as shown in detail in Part III, three U.S. producers directly import small diameter seamless SLP pipe, while two directly import large diameter seamless SLP pipe.

Table I-11
Seamless SLP pipe: U.S. producers' ownership, related and/or affiliated firms, since January 2013

* * * * * * *

U.S. importers

In the original investigations, 29 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of both small and large diameter seamless SLP pipe, accounting for almost all of the subject U.S. imports of seamless SLP pipe during 1997-99.[60]

[60] *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa,* Inv. Nos. 731-TA-846-850 (Final), Staff Report, INV-X-114, May 25, 2000, p. IV-1.

In the current proceedings, the Commission issued U.S. importers' questionnaires to 60 firms believed to be importers of small and large diameter seamless SLP pipe, as well as to all U.S. producers of small and large dimeter seamless SLP pipe. Usable questionnaire responses were received from 19 firms.[61] Table I-12 lists all responding U.S. importers of small diameter seamless SLP pipe from both Japan and Romania and other sources, their locations, and their shares of U.S. imports in 2016, while table I-13 lists all responding U.S. importers of large diameter pipe from Japan and all other sources, their locations, and their shares of U.S. imports in 2016.

Table I-12
Seamless SLP pipe: U.S. importers, their headquarters, and share of total imports by source for small diameter seamless SLP pipe, 2016

Firm	Headquarters	Share of imports by source (percent)				
		Japan	Romania	Subject sources	All other sources	All sources
Aaris	Dayton, OH	***	***	***	***	***
ArcelorMittal International	Chicago, IL	***	***	***	***	***
Bechtel	Houston, TX	***	***	***	***	***
Bel-Kap Steel, LLC	Miami, FL	***	***	***	***	***
Benteler	Houston, TX	***	***	***	***	***
Castle	Oak Brook, IL	***	***	***	***	***
Kurt Orban	Burlingame, CA	***	***	***	***	***
MacSteel	White Plains, NY	***	***	***	***	***
North American	Houston, TX	***	***	***	***	***
Optima	Concord, CA	***	***	***	***	***
Posco Daewoo	Teaneck, NJ	***	***	***	***	***
Sasol Chemicals	Houston, TX	***	***	***	***	***
Steelcom	Houston, TX	***	***	***	***	***
Sumitomo	Houston, TX	***	***	***	***	***
Tenaris	Houston, TX	***	***	***	***	***
TMK IPSCO International	Houston, TX	***	***	***	***	***
Toyota	Georgetown, KY	***	***	***	***	***
Vallourec USA	Houston, TX	***	***	***	***	***
Webco	Sand Springs, OK	***	***	***	***	***
Total		***	***	***	***	***

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

[61] Nineteen firms returned importer questionnaires indicating that they did not import small and/or large diameter seamless SLP pipe.

Table I-13
Seamless SLP pipe: U.S. importers, their headquarters, and share of total imports by source for large diameter seamless SLP pipe, 2016

Firm	Headquarters	Share of imports by source (percent)		
		Japan	All other sources	All sources
Aaris	Dayton, OH	***	***	***
ArcelorMittal International	Chicago, IL	***	***	***
Bechtel	Houston, TX	***	***	***
Bel-Kap Steel, LLC	Miami, FL	***	***	***
Benteler	Houston, TX	***	***	***
Castle	Oak Brook, IL	***	***	***
Kurt Orban	Burlingame, CA	***	***	***
MacSteel	White Plains, NY	***	***	***
North American	Houston, TX	***	***	***
Optima	Concord, CA	***	***	***
Posco Daewoo	Teaneck, NJ	***	***	***
Sasol Chemicals	Houston, TX	***	***	***
Steelcom	Houston, TX	***	***	***
Sumitomo	Houston, TX	***	***	***
Tenaris	Houston, TX	***	***	***
TMK IPSCO International	Houston, TX	***	***	***
Toyota	Georgetown, KY	***	***	***
Vallourec USA	Houston, TX	***	***	***
Webco	Sand Springs, OK	***	***	***
Total		***	***	***

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

U.S. purchasers

The Commission received 11 usable questionnaire responses from firms that bought seamless SLP pipe during 2014 through 2016. Ten of the eleven firms purchased both small and large diameter seamless SLP pipe in 2016. Seven responding purchasers are distributors, and four are end users. In general, responding U.S. purchasers were located in in the South. The responding purchasers represented firms in a variety of domestic industries, mostly from the oil and gas industry. In 2016, the largest purchasers of small diameter seamless SLP pipe were ***, and the largest purchasers of large diameter were ***.

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of small diameter seamless SLP pipe are depicted in table I-14 and figure I-2 from 2014 through 2016, January to March 2016, and January to March 2017. From 2014 to 2016, apparent U.S. consumption decreased markedly (by *** percent), with sharp reductions in quantity for U.S. producers' shipments, by 76.6 percent, and U.S. imports, by *** percent. In contrast, U.S. shipments and U.S. imports were higher in January to March 2017 than in January to March 2016, but on an annualized basis still well below 2014 levels.

Table I-14
Small diameter seamless SLP pipe: Apparent U.S. consumption, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Quantity (short tons)				
U.S. producers' U.S. shipments	171,523	48,742	40,224	8,879	22,638
U.S. imports from.--					
Japan	***	***	***	***	***
Romania	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	313,695	100,780	71,397	18,216	34,396
U.S. imports from.--					
Japan	***	***	***	***	***
Romania	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***

Source: Compiled data submitted in response to Commission questionnaires and from * * * records using HTS statistical reporting numbers 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025, accessed August 29, 2017. Subject imports (i.e., from Japan and Romania) are based solely on entries that were assessed AD deposits ("dutied" imports), and "nondutied" entries from Japan and Romania were removed from the total.

Figure I-2
Small diameter seamless SLP pipe: Apparent U.S. consumption, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Data concerning apparent U.S. consumption of large diameter seamless SLP pipe are shown in table I-15 and figure I-3 from 2014 through 2016, January to March 2016, and January to March 2017. From 2014 through 2016, apparent U.S. consumption decreased markedly (by *** percent), with sharp reductions in quantity for U.S. producers' shipments, by *** percent, and U.S. imports, by *** percent. In contrast, U.S. shipments and U.S. imports were higher in January-March 2017 than in January-March 2016, but on an annualized basis still well below 2014 levels.

Table I-15
Large diameter seamless SLP pipe: Apparent U.S. consumption, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Figure I-3
Large diameter seamless SLP pipe: Apparent U.S. consumption, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

U.S. MARKET SHARES

U.S. market share data for small diameter seamless SLP pipe are presented in table I-16, and U.S market share data for large diameter seamless SLP pipe are presented in table I-17.

From 2014 through 2016, U.S. producers' market share of small diameter seamless SLP pipe, based on quantity, decreased by *** percentage points, while U.S. producers' market share based on value decreased by *** percentage points. The market share of imports based on quantity of small diameter seamless SLP pipe from all sources increased by *** percentage points. The market share of imports based on value of small diameter seamless SLP pipe from all sources increased by *** percentage points during 2014-16.

From 2014 through 2016, U.S. producers' market share of large diameter seamless SLP pipe, based on quantity, increased by *** percentage points, while U.S. producers' market share based on value increased by *** percentage points. The market share of imports based on quantity of large diameter seamless SLP pipe from all sources decreased by *** percentage points. The market share of imports of large diameter seamless SLP pipe based on value from all sources decreased by *** percentage points during 2014-16.

Table I-16
Small diameter seamless SLP pipe: Market shares, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table I-17
Large diameter seamless SLP pipe: Market shares, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

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

U.S. MARKET CHARACTERISTICS

Seamless SLP pipe is generally used in oil and gas transmission, in addition to other construction and industrial uses. Seamless SLP pipe is sold in both carbon steel and alloy steel grades, in a range of sizes through 16 inches in outside diameter. Seamless SLP pipe, whether small diameter or large diameter, is generally sold to distributors, and primarily follows demand trends of oil and gas markets, regardless of size range.

Apparent U.S. consumption of small and large diameter seamless SLP pipe declined sharply between 2014 and 2016. Consumption of both small and large diameter seamless SLP pipe fell by more than two-thirds during the period. Apparent U.S. consumption of small diameter in 2016 was *** percent lower than in 2014. Likewise, apparent U.S. consumption of large diameter in 2016 was *** percent lower than in 2014.

CHANNELS OF DISTRIBUTION

U.S. producers sold mainly to distributors as shown in tables II-1 and II-2. Importers of nonsubject product also sold mainly to distributors. Importers of small diameter seamless SLP pipe from Romania ***. No data were reported for imports from Japan.

Table II-1
Small diameter seamless SLP pipe: U.S. producers' and importers' share of reported U.S. commercial shipments (percent), by sources and channels of distribution, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table II-2
Large diameter seamless SLP pipe: U.S. producers' and importers' share of reported U.S. commercial shipments (percent), by sources and channels of distribution, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

GEOGRAPHIC DISTRIBUTION

U.S. producers reported selling seamless SLP pipe to all regions in the contiguous United States (table II-3). Importers reported selling to the Northeast, Midwest, Southeast, and Central Southwest. For U.S. producers, *** percent (small diameter) and *** percent (large diameter) of sales were within 100 miles of their production facility, *** percent (small diameter) and *** percent (large diameter) percent were between 101 and 1,000 miles, and *** percent (small diameter) and *** percent (large diameter) percent were over 1,000 miles. Importers of small

diameter seamless SLP pipe from Romania sold *** percent within 100 miles of their U.S. point of shipment and *** percent between 101 and 1,000 miles.[1]

Table II-3
Seamless SLP pipe: Geographic market areas in the United States served by U.S. producers and importers, by number of responding firms

Region	Small U.S. seamless SLP pipe	Small Romanian seamless SLP pipe	Large U.S. seamless SLP pipe
Northeast	9	1	5
Midwest	9	3	5
Southeast	8	1	4
Central Southwest	10	3	5
Mountain	7	0	4
Pacific Coast	7	0	4
Other[1]	4	0	2
Reporting Firms	7	0	4

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

Note.--No data were reported for Japan.

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of seamless SLP pipe have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced seamless SLP pipe to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity or inventories and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited ability to shift shipments from alternate markets.

Industry capacity

Domestic capacity utilization for small diameter seamless SLP pipe decreased from 65.8 percent in 2014 to 30.8 percent in 2016, as capacity decreased by 50.1 percent and production decreased by 76.6 percent during the same period. Domestic capacity utilization for large diameter seamless SLP pipe decreased from *** percent in 2014 to *** percent in 2016. Capacity decreased by *** percent and production decreased by *** percent during the same period. This relatively low level of capacity utilization suggests that U.S. producers may have substantial ability to increase production in response to an increase in prices.

[1] No importers reported shipping data for large diameter seamless SLP pipe.

Alternative markets

U.S. producers' exports, as a percentage of total shipments, remained relatively unchanged between 2014 and 2016. U.S. producers' export shipments stayed constant at 0.3 percent for small diameter pipe and rose from *** percent to *** percent for large diameter pipe during 2014-16, indicating that U.S. producers may have limited ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventories increased, relative to U.S. shipments, from 6.2 percent in 2014 to 22.7 percent in 2016 for small diameter pipe, and from *** percent in 2014 to *** percent in 2016 for large diameter pipe. These inventory levels suggest that U.S. producers may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Eight of 10 responding U.S. producers stated that they could switch production from seamless SLP pipe to other products. Other products that producers reportedly can produce on the same equipment as seamless SLP pipe are OCTG products such as casing, tubing, and drill pipe, boiler tubing, and mechanical tubing. Factors affecting U.S. producers' ability to shift production include amount of skilled workers, profitability, and market demand.

Subject imports[2]

Table II-4 provides a summary of supply-related data for subject countries.

Table II-4
Seamless SLP pipe: Foreign industry factors that affect ability to increase shipments to the United States

* * * * * * *

Subject imports from Japan

No Japanese producer provided a complete response to the Commission's foreign producer questionnaire. Due to this lack of response, staff does not have accurate data to report on industry capacity, inventory level, or production alternatives, and thus cannot assess the degree to which producers of seamless from Japan are able to respond to changes in demand.

[2] For data on the number of responding foreign firms and their share of U.S. imports from Japan and Romania, please refer to Part I, "Summary Data and Data Sources."

Available data on Japanese exports indicate that producers may have some ability to shift shipments between other markets and the U.S. market in response to price changes. Japanese shipments to markets other than the United States, as a percentage of total exports, stayed relatively constant between 2014 and 2016. Shipments of seamless pipe to export markets other than the United States rose from 92.2 percent in 2014 to 92.6 percent in 2016.[3]

Subject imports from Romania

Based on available information, producers of seamless SLP pipe from Romania have the ability to respond to changes in demand with moderate changes in the quantity of shipments of seamless SLP pipe to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, ability to shift shipments from alternate markets, and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include very limited availability of inventories.

Industry capacity

The Romanian industry's capacity utilization increased from *** percent in 2014 to *** percent in 2016 for small diameter pipe, as capacity decreased by *** percent and production decreased by *** percent during the same period. This relatively *** level of capacity utilization suggests that Romanian producers may have *** ability to increase production of product in response to an increase in prices.

Alternative markets

Romanian shipments to markets other than the United States, as a percentage of total shipments, increased between 2014 and 2016. Shipments to domestic markets declined from *** percent in 2014 to *** percent in 2016, and shipments to export markets other than the United States rose from *** percent in 2014 to *** percent in 2016. Romanian producer *** reported long term commitments to customers in Europe and the Middle East based on contracts and forecasts determined at least one year prior to fulfillment. Romanian exports indicate that producers may have *** ability to shift shipments between domestic or other markets and the U.S. market in response to price changes.

[3] Official Japanese exports statistics under HS subheadings 7304.19, 7304.39, and 7304.59 as reported by Japan Ministry of Finance in the IHS/GTA database, accessed July 3, 2017.

Inventory levels

Romanian producers' inventories declined between 2014 and 2016. Relative to total U.S. shipments, inventory levels decreased from *** percent in 2014 to *** percent in 2016 for small diameter pipe. The inventory levels suggest that responding foreign firms may have *** ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Both responding Romanian producers stated that they could switch production from seamless SLP pipe to other products. Other products that responding foreign producers reportedly can produce on the same equipment as seamless SLP pipe are ***.

Supply constraints

Seven of nine U.S. producers and 10 of 14 importers reported no supply constraints since 2011. Importers *** reported capacity constraints at mills affecting supply.

Imports from nonsubject sources

Imports from nonsubject sources accounted for virtually all imports of seamless SLP pipe in 2016. The largest sources of imports during 2016 for small diameter seamless SLP pipe were Korea, Germany, and Mexico. Combined, these countries accounted for 41.4 percent of nonsubject imports of small diameter pipe in 2016.[4] The largest sources of imports during 2016 for large diameter seamless SLP pipe were Mexico, Italy, and Ukraine. Combined, these countries accounted for 36.8 percent of nonsubject imports of large diameter pipe in 2016.[5]

U.S. demand

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

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[4] Import data are presented based on *** for nonsubject sources and total imports, while subject imports are based on dutied imports from *** using HTS statistical reporting numbers 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025, accessed August 29, 2017.

[5] Import data are presented based on *** for nonsubject sources and total imports, while subject imports are based on dutied imports from *** using HTS statistical reporting numbers 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5050, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed August 29, 2017.

End uses and cost share

U.S. demand for seamless SLP pipe depends on demand for U.S.-produced downstream products. Reported end uses for small and large diameter pipe include transmission of natural resources, construction and building applications, and industrial machinery. Seven responding U.S. producers, 11 importers, and four purchasers reported no changes in end uses.

Seamless SLP pipe accounts for varying shares of the cost of the products in which it is used. Reported cost shares for small diameter pipe end uses were as follows: 20 to 50 percent for pipelines (e.g., oil and gas transmission), 20 percent for coal fired boiler headers, 65 percent for butt weld fittings, 10 percent for HRSG harps, 1 percent for tank batteries, 10 percent for pressure tubing in power generation and structural uses, and 65 to 95 percent in finished goods (e.g., pressure tube, tubes with bends and fins). Reported cost shares for large diameter pipe end uses were as follows: 20 percent for pipelines, 20 percent for coal fired boiler headers, 65 percent for butt weld fittings, and 10 percent for well hook ups and flow lines.

Business cycles

Three of eight U.S. producers, three of 15 importers, and seven of 11 purchasers indicated that the market was subject to business cycles or other distinct conditions of competition. Specifically, demand for seamless SLP pipe follows demand trends in the oil and gas markets. *** stated, “The market is subject to the condition of the general economy. The demand for new projects such as construction of buildings and manufacturing plants, and for pipeline infrastructure to transport gases and liquids affects the demand for seamless pipe.”

Demand trends

Most firms reported fluctuations in U.S. demand for small diameter seamless SLP pipe since January 1, 2011 (table II-5). U.S. producer *** reported a sharp decrease in demand for small diameter pipe leading into 2015, with demand then becoming steady at the lesser volumes. ***, a U.S. producer, pointed towards falling rig counts for declining demand for small diameter pipe in recent years. U.S. producers *** and importers *** all pointed towards falling energy prices (e.g., oil and gas prices) as reasons for declining demand in the small diameter pipe market. Most U.S. producers anticipate demand to increase over the next two years, while the majority of importers and most purchasers anticipate fluctuating demand of small diameter pipe.

Table II-5
Small diameter seamless SLP pipe: Firms' responses regarding U.S., by number of responding firms

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	2	1	3	1
Importers	3	1	1	4
Purchasers	3	0	3	5
Foreign producers	1	0	1	1
Anticipated future demand				
U.S. producers	4	0	0	3
Importers	3	2	0	5
Purchasers	5	1	1	4
Foreign producers	0	0	1	2
Demand for purchasers' final products since 2011				
Purchasers	0	0	3	3

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

Most firms reported fluctuations in U.S. demand for large diameter seamless SLP pipe since January 1, 2011 (table II-6). U.S. producer *** pointed towards falling rig counts and energy prices for declining demand for large diameter pipe since January 2011. U.S. importers *** reported increasing demand around 2011 due to "high oil and gas prices," but a decline in demand in recent years due to the reduction in oil and gas prices. ***, an importer, stated there was no change in demand around 2011 due to the stable economic environment in the United States, but reported that the "struggling economic environment" in recent years has led to a decrease in demand for large diameter pipe. Many firms pointed towards falling energy prices (e.g., oil and gas prices) as reasons for declining demand in the small diameter pipe market. The majority of U.S. producers and purchasers anticipate demand for large diameter pipe to increase over the next two years, while the majority of importers anticipate demand to fluctuate or not change.

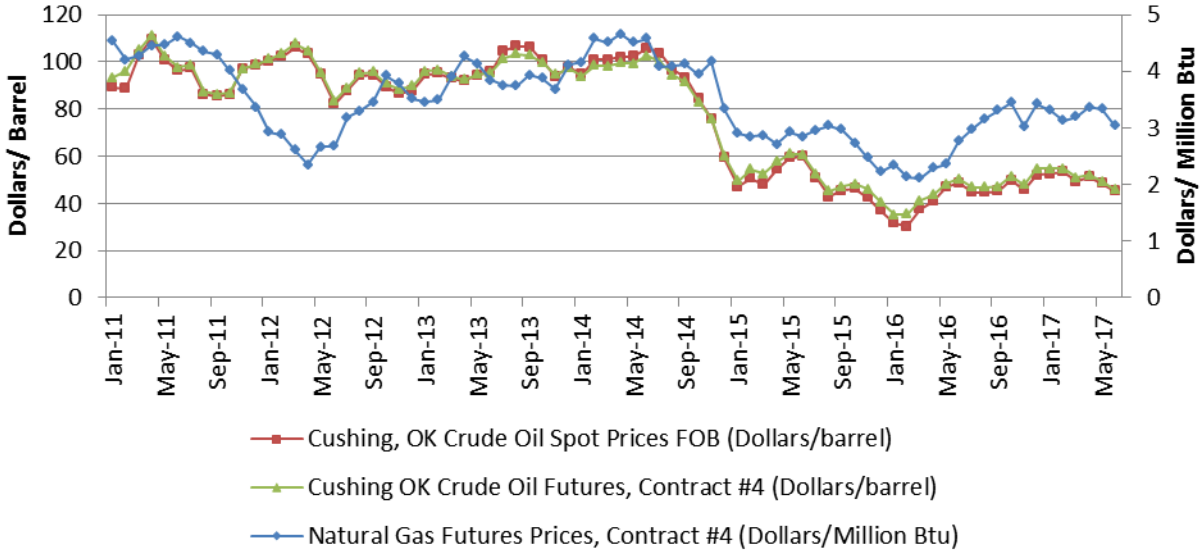
Table II-6
Large diameter seamless SLP pipe: Firms' responses regarding U.S., by number of responding firms

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	1	0	1	2
Importers	2	2	0	4
Purchasers	2	0	3	5
Foreign producers	0	0	0	0
Anticipated future demand				
U.S. producers	2	0	0	2
Importers	2	3	0	4
Purchasers	6	1	0	3
Foreign producers	0	0	0	0
Demand for purchasers' final products since 2011				
Purchasers	0	0	3	3

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

Demand for small and large diameter seamless SLP pipe is linked to the demand trends in the oil and gas markets. Since January 2011, futures prices for natural gas have fluctuated while current and futures oil prices declined (figure II-1). From January 2014 to March 2017, futures prices for natural gas, current oil prices, and futures oil prices generally declined (figure II-2). The trends in oil and gas prices are reflected in the reported fluctuations in demand for small and large diameter seamless SLP pipe. Domestic interested parties state that currently there are no energy price increases expected in the near future and that they also expect slower overall economic growth, which will lead to lower demand for seamless SLP pipe.[6]

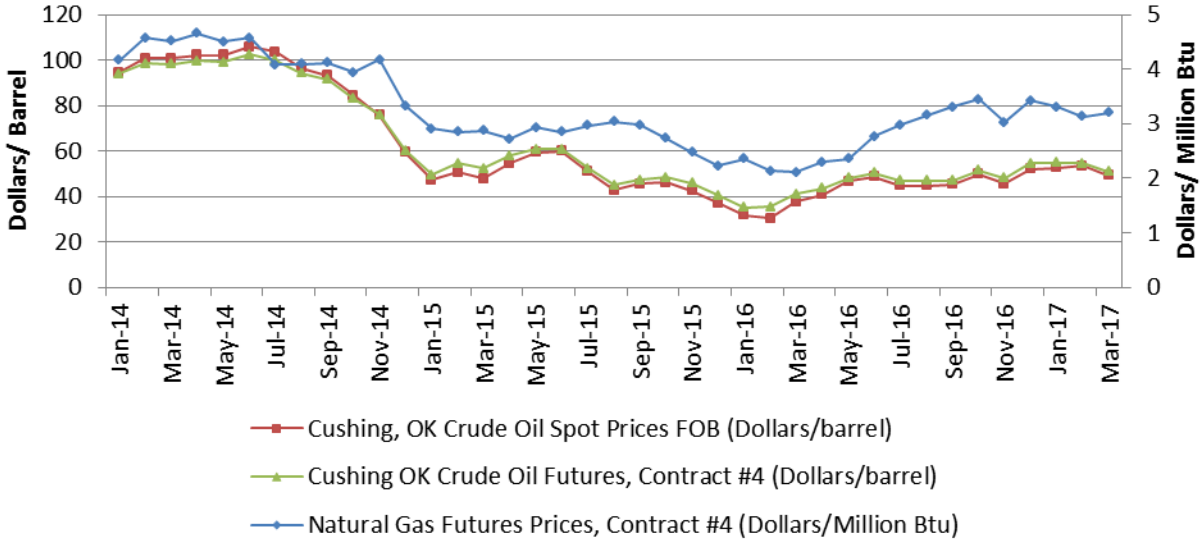
Figure II-1
Oil and gas: Monthly crude oil spot prices and future crude oil prices for Cushing OK, and futures prices of natural gas, January 2011 to June 2017



Source: U.S. Energy Information Administration, https://www.eia.gov/dnav/ng/hist/rngc4M.htm, http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RWTC&f=M, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RCLC4&f=M .

[6] Domestic interested parties' posthearing brief, p. 13.

Figure II-2
Oil and gas: Monthly crude oil spot prices and future crude oil prices for Cushing OK, and futures prices of natural gas, January 2014 to March 2017



Source: U.S. Energy Information Administration, https://www.eia.gov/dnav/ng/hist/rngc4M.htm, http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RWTC&f=M, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RCLC4&f=M .

Substitute products

Substitutes for seamless SLP pipe are limited and include welded pipe, plastic pipe, and ERW standard and line pipe. The vast majority of U.S. producers, importers, and purchasers reported that there were no substitutes and did not anticipate any future changes in substitutes.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported seamless SLP pipe depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is at least moderate degree of substitutability between domestically produced seamless SLP pipe and seamless SLP pipe imported from subject sources.

Lead times

Seamless SLP pipe is primarily produced-to-order. U.S. producers reported that *** percent of their commercial shipments of small diameter pipe were produced-to-order, with lead times averaging *** days. The remaining *** percent of their commercial shipments of small diameter pipe came from inventories, with lead times averaging *** days. U.S. importers reported that *** percent of their commercial shipments of small diameter pipe were

produced-to-order, with lead times averaging *** days. U.S. producers stated that the vast majority, *** percent, of their commercial shipments of large diameter pipe were produced-to-order, with lead times averaging *** days. The remaining *** percent of U.S. producers' commercial shipments came from inventories, with lead times averaging *** days.

Knowledge of country sources

Ten purchasers indicated they had marketing/pricing knowledge of domestic product, two of Japanese product, two of Romanian product, and nine of product from nonsubject countries.

As shown in table II-7, most purchasers and their customers usually or sometimes make purchasing decisions based on the producer or country of origin. Of the three purchasers that reported that they always make decisions based on the manufacturer, two firms cited the importance of mills meeting both the firm's and customer's standards.

Table II-7
Seamless SLP pipe: Purchasing decisions based on producer and country of origin, by number of reporting firms

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	3	3	4	0
Purchaser's customers make decision based on producer	0	4	5	0
Purchaser makes decision based on country	1	5	4	0
Purchaser's customers make decision based on country	0	4	5	0

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for seamless SLP pipe were price (9 firms), quality (7 firms), and availability (5 firms) as shown in table II-8. Quality was the most frequently cited first-most important factor (cited by 6 firms), followed by price and certification (2 firms each); price was the most frequently reported second-most important factor (4 firms); and price was the most frequently reported third-most important factor (3 firms).

Table II-8
Seamless SLP pipe: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First	Second	Third	Total
Pricing/Cost	2	4	3	9
Quality	6	1	0	7
Certification/AML	2	1	1	4
Availability	0	3	2	5
Other[1]	1	2	5	8

[1] Other factors include technical specifications, delivery and lead times, and supplier relationship.

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

The majority of purchasers (6 of 11) reported that they usually purchase the lowest-priced small diameter pipe, and the majority (10 of 11) usually or sometimes purchase the lowest-priced large diameter pipe.

When asked if they purchased product from one source although a comparable product was available at a lower price from another source, eight purchasers reported reasons including delivery schedules, technical specifications, and mill reputations. Five of 11 purchasers reported that certain types of product were only available from a single source.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 16 factors in their purchasing decisions (table II-9 and II-10). The factors rated as very important by more than half of responding purchasers for small diameter pipe were availability, price, product consistency, quality meets industry standards (11 each), reliability of supply (10), delivery time (9), and delivery terms and approved manufacturers lists (6 each). The factors rated as very important by more than half of responding purchasers for large diameter pipe were availability and quality meets industry standards (11 each), price, product consistency, and reliability of supply (10 each), delivery time (9), approved manufacturers lists (7), and delivery terms (6).

Table II-9
Small diameter seamless SLP pipe: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms

Factor	Very important	Somewhat important	Not important
Approved manufacturers lists	6	4	1
Availability	11	0	0
Delivery terms	6	3	2
Delivery time	9	2	0
Discounts offered	5	2	4
Extension of credit	2	6	3
Minimum quantity requirements	3	6	2
Packaging	2	8	1
Price	11	0	0
Product consistency	11	0	0
Product range	5	5	1
Quality exceeds industry standards	3	6	2
Quality meets industry standards	11	0	0
Reliability of supply	10	1	0
Technical support/service	5	6	0
U.S. transportation costs	2	6	3

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

Table II-10
Large diameter seamless SLP pipe: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms

Factor	Very important	Somewhat important	Not important
Approved manufacturers lists	7	4	0
Availability	11	0	0
Delivery terms	6	3	2
Delivery time	9	2	0
Discounts offered	5	2	4
Extension of credit	2	6	3
Minimum quantity requirements	4	5	2
Packaging	2	8	1
Price	10	1	0
Product consistency	10	0	0
Product range	5	5	1
Quality exceeds industry standards	3	6	2
Quality meets industry standards	11	0	0
Reliability of supply	10	1	0
Technical support/service	5	6	0
U.S. transportation costs	1	7	3

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

Supplier certification

Eight of 10 responding purchasers require their suppliers to become certified or qualified to sell seamless SLP pipe to their firm, and five of 11 responding purchasers required suppliers to be on an AML. Purchasers reported that the time to qualify a new supplier ranged from 14 to 120 days. One purchaser reported that a domestic or foreign supplier had failed in its attempt to qualify product, or had lost its approved status since January 1, 2011.

Purchasers reported that *** of purchases of U.S.-produced small diameter pipe was required to be from a producer listed on an AML, and *** of purchases of U.S.-produced large diameter pipe was required to be from a producer listed on an AML. All responding purchasers stated that *** percent of imports of small diameter pipe from Japan and Romania are not required to be purchased off an AML. A majority of purchasers (six of nine) reported that small diameter seamless SLP pipe produced by a firms listed on an AML is “usually” or “sometimes” interchangeable with product produced by a non-AML firm, and a majority of purchasers (six of 10) reported that large diameter seamless SLP pipe produced by a firms listed on an AML is “usually” or “sometimes” interchangeable with product produced by a non-AML firm.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2011 (tables II-11 and II-12). Five of 11 responding purchasers reported that they had changed suppliers since January 1, 2011. Specifically, firms dropped or reduced purchases from the United States because of shutdowns, noncompetitive prices, and a decrease in demand for U.S.-produced end use products. Firms added or increased purchases from the United States and other sources because of improved end use markets, requirements for U.S.-

produced product, distributor buyouts, and lower nonsubject prices. Five of 11 purchasers reported domestic new suppliers, specifically Benteler and Vallourec.

Table II-11
Small diameter seamless SLP pipe: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	1	2	2	2	3
Japan	8	0	0	0	2
Romania	7	0	0	0	2
All other countries	1	0	1	3	4
Sources unknown	5	0	1	1	0

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

Table II-12
Large diameter seamless SLP pipe: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	2	2	2	3	2
Japan	7	0	0	0	2
All other countries	1	0	2	3	4
Sources unknown	5	0	1	1	0

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

Importance of purchasing domestic product

Nine purchasers reported that purchasing U.S.-produced small diameter pipe was not an important factor in their purchasing decisions. Three reported that domestic small diameter pipe was required by law (for 1 to 68 percent of their purchases), five reported it was required by their customers (for 2 to 48 percent of their purchases), and two reported other preferences for domestic product.

Nine purchasers reported that purchasing U.S.-produced large diameter pipe was not an important factor in their purchasing decisions. Two reported that domestic large diameter pipe was required by law (for 1 to 2 percent of their purchases), five reported it was required by their customers (for 2 to 95 percent of their purchases), and two reported other preferences for domestic product.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing seamless SLP pipe produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (tables II-13 and II-14) for which they were asked to rate the importance.

Most purchasers reported that U.S. and subject small diameter pipe were comparable on all factors except price and discounts offered. The three purchasers that compared small diameter from Japan with that from Romania reported that products were comparable on all

factors. Most purchasers reported that U.S. and Japanese large diameter pipe were comparable on all factors except price.

Table II-13
Small diameter seamless SLP pipe: Purchasers' comparisons between U.S.-produced and imported product

Factor	U.S. vs. Japan			U.S. vs. Romania			Japan vs. Romania		
	S	C	I	S	C	I	S	C	I
Availability	0	3	1	0	2	0	1	1	0
Delivery terms	1	2	1	0	2	0	1	1	0
Delivery time	1	2	1	0	2	0	0	2	0
Discounts offered	0	1	2	0	2	0	0	2	0
Extension of credit	0	2	1	0	1	1	0	2	0
Minimum quantity requirements	0	2	1	0	1	1	0	2	0
Packaging	0	3	0	0	2	0	0	2	0
Price[1]	1	0	3	0	1	1	0	1	1
Product consistency	1	3	0	0	2	0	0	2	0
Product range	1	3	0	0	2	0	0	2	0
Quality exceeds industry standards	0	3	0	0	2	0	0	2	0
Quality meets industry standards	0	4	0	0	2	0	0	2	0
Reliability of supply	0	4	0	0	2	0	0	2	0
Technical support/service	0	3	1	0	2	0	0	2	0
U.S. transportation costs[1]	1	2	0	0	2	0	0	2	0
Factor	**U.S. vs. nonsubject**			**Japan vs. nonsubject**			**Romania vs. nonsubject**		
	S	C	I	S	C	I	S	C	I
Availability	3	5	2	0	4	0	1	1	0
Delivery terms	4	6	0	0	3	1	1	1	0
Delivery time	5	0	0	0	3	1	0	0	0
Discounts offered	0	6	2	0	2	1	0	2	0
Extension of credit	1	8	0	0	3	0	0	2	0
Minimum quantity requirements	1	4	4	0	2	1	0	2	0
Packaging	1	9	0	0	4	0	0	2	0
Price[1]	0	1	8	0	2	2	0	1	1
Product consistency	1	9	0	1	3	0	0	2	0
Product range	0	8	1	0	3	0	0	2	0
Quality exceeds industry standards	1	7	0	1	2	0	0	2	0
Quality meets industry standards	0	9	0	1	3	0	0	2	0
Reliability of supply	1	7	1	1	3	0	0	2	0
Technical support/service	2	7	0	0	3	1	0	2	0
U.S. transportation costs[1]	1	6	0	0	2	0	0	2	0

[1] A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

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

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

Table II-14
Large diameter seamless SLP pipe: Purchasers' comparisons between U.S.-produced and imported product

Factor	U.S. vs. Japan			U.S. vs. nonsubject			Japan vs. nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	1	3	1	2	5	2	1	2	0
Delivery terms	2	2	1	2	6	1	1	1	1
Delivery time	2	2	1	3	5	1	0	2	1
Discounts offered	0	3	1	0	5	2	0	3	0
Extension of credit	0	4	0	1	6	0	0	3	0
Minimum quantity requirements	0	4	1	1	4	3	0	2	1
Packaging	0	5	0	1	7	0	0	2	0
Price[1]	1	1	3	0	3	5	0	1	2
Product consistency	0	5	0	0	8	0	0	3	0
Product range	0	5	0	0	6	1	0	3	0
Quality exceeds industry standards	0	3	0	1	7	0	0	2	0
Quality meets industry standards	0	4	0	0	8	0	0	3	0
Reliability of supply	0	5	0	1	6	1	0	3	0
Technical support/service	0	4	1	2	5	0	0	2	1
U.S. transportation costs[1]	1	2	0	1	6	0	0	2	0

[1] A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

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

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

Comparison of U.S.-produced and imported seamless SLP pipe

In order to determine whether U.S.-produced seamless SLP pipe can generally be used in the same applications as imports from Japan and Romania, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-15 and II-16, most producers, importers, and purchasers stated that domestic seamless SLP pipe and that from subject and nonsubject countries are "always" or "frequently" interchangeable.

Table II-15
Small diameter seamless SLP pipe: Interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries: United States vs. Japan	6	1	1	0	5	1	1	0	5	3	1	0
United States vs. Romania	6	1	1	0	5	0	2	0	2	3	2	0
Subject countries comparisons: Japan vs. Romania	6	1	0	0	5	0	1	0	2	2	1	1
Nonsubject countries comparisons: United States vs. Other	6	1	1	0	5	3	4	0	3	6	1	0
Japan vs. Other	6	1	0	0	5	2	2	0	3	2	2	0
Romania vs. Other	6	1	0	0	5	0	3	0	3	2	1	0

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

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

Table II-16
Large diameter seamless SLP pipe: Interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries: United States vs. Japan	3	1	1	0	2	2	1	0	5	3	1	0
Nonsubject countries comparisons: United States vs. Other	3	1	1	0	2	3	3	0	3	5	2	0
Japan vs. Other	3	1	0	0	2	2	2	0	3	2	2	0

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

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

As can be seen from tables II-17 and II-18, most responding purchasers reported that domestically produced and Japanese small and large diameter pipe always met minimum quality specifications. Responses regarding small diameter product from Romania were more evenly distributed across the meeting quality specification spectrum. Other sources for large and small diameter SLP pipe always or usually met minimum quality specifications.

Table II-17
Small diameter seamless SLP pipe: Ability to meet minimum quality, by source and number of reporting firms[1]

Source	Always	Usually	Sometimes	Rarely or never
United States	7	4	0	0
Japan	3	1	0	0
Romania	1	1	1	0
Nonsubject	4	3	1	0

[1] Purchasers were asked how often domestically produced or imported small diameter seamless SLP pipe meets minimum quality specifications for their own or their customers' uses.

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

Table II-18
Large diameter seamless SLP pipe: Ability to meet minimum quality specifications, by source and number of reporting firms[1]

Source	Always	Usually	Sometimes	Rarely or never
United States	6	4	0	1
Japan	2	1	1	0
Nonsubject	4	3	1	0

[1] Purchasers were asked how often domestically produced or imported large diameter seamless SLP pipe meets minimum quality specifications for their own or their customers' uses.

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

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of seamless SLP pipe from the United States, subject, or nonsubject countries. As seen in tables II-19 and II-20, U.S. producers were generally split between the significance of non-price differences being "sometimes" or "never" a factor, while most importers reported that non-price factors were "sometimes" a significant difference. The majority of purchasers stated that non-price differences were either "always" or "sometimes" significant factors for small diameter pipe, but "frequently" or "sometimes" significant factors in large diameter pipe.

Table II-19
Small diameter seamless SLP pipe: Perceived importance of factors other than price between small diameter seamless SLP pipe produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries: United States vs. Japan	0	0	3	4	1	1	3	3	2	1	2	1
United States vs. Romania	0	1	3	4	1	1	3	2	2	1	1	0
Subject countries comparisons: Japan vs. Romania	0	0	2	4	1	1	1	3	1	0	1	0
Nonsubject countries comparisons: United States vs. Other	0	1	3	4	1	2	5	3	2	2	4	1
Japan vs. Other	0	0	2	4	1	1	3	3	1	0	3	0
Romania vs. other	0	1	2	4	1	2	2	3	1	0	3	0

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

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

Table II-20
Large diameter seamless SLP pipe: Perceived importance of factors other than price between large diameter seamless SLP pipe produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries: United States vs. Japan	0	0	2	3	1	1	3	1	1	2	3	0
Nonsubject countries comparisons: United States vs. Other	0	0	2	3	1	2	5	1	2	3	4	1
Japan vs. Other	0	0	1	3	1	1	3	1	1	1	4	0

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

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

ELASTICITY ESTIMATES

This section discusses elasticity estimates. Parties did not comment on these estimates.

U.S. supply elasticity

The domestic supply elasticity[7] for seamless SLP pipe measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of seamless SLP pipe. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced seamless. Analysis of these factors above indicates that the U.S. industry of small diameter seamless SLP pipe is likely to be able to somewhat increase or decrease shipments to the U.S. market; an estimate in the range of 4 to 6 is suggested. Analysis of these factors above indicates that the U.S. industry of large diameter seamless SLP pipe is likely to be able to substantially increase or decrease shipments to the U.S. market; an estimate in the range of 4 to 6 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for seamless SLP pipe measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of seamless SLP pipe. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the seamless SLP pipe in the production of any downstream products. Based on the available information, the aggregate demand for small diameter seamless SLP pipe is likely to be inelastic; a range of -0.5 to -1 is suggested, due to the lack of substitute products and its importance in the petroleum and natural gas market. Based on the available information, the aggregate demand for large diameter seamless SLP pipe is likely to be inelastic; a range of -0.5 to -1 is suggested, due to the lack of substitute products and its importance in the petroleum and natural gas market.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[8] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/ discounts/ promotions, etc.). Based on available information, the

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

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

elasticity of substitution between U.S.-produced small diameter seamless SLP pipe and imported small diameter seamless SLP pipe is likely to be in the range of 4 to 6. Based on available information, the elasticity of substitution between U.S.-produced large diameter seamless SLP pipe and imported large diameter seamless SLP pipe is likely to be in the range of 3 to 5.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

The information in this section of the report was compiled from responses to the Commission's questionnaires. Ten firms, which accounted for more than 90 percent of U.S. seamless SLP pipe production during 2016, supplied information on their operations in these reviews and other proceedings on seamless SLP pipe.[1] [2] Table III-1 presents important industry events since January 2011. In late 2015, seamless SLP pipe production at the Benteler Steel/Tube plant in Shreveport, Louisiana began to ramp up. In addition, U.S. Steel announced the idling and eventual announcement of the permanent closing of the Lorain, Ohio #4 Seamless Mill in March 2017.[3] The most recent event was the investment of approximately $1.8 billion and construction of a Tenaris-owned seamless pipe mill in Bay City, Texas. This plant is scheduled to be operational in October 2017.[4] [5]

[1] *** returned its questionnaire with a brief statement indicating that it does not produce seamless SLP pipe with an OD of smaller than 4.5" *** indicated that for all of calendar year 2016, production of seamless SLP pipe consisted of only one single sale with a sales value of less than $***.

[2] *** completed a U.S. producer questionnaire that has been partially included in this report, but did not provide allocated quantitative data that was reliable despite many requests from staff to amend and update its U.S. producer questionnaire.

[3] In response to the Commission's question regarding the costs and efforts to bring the Lorain # 4 plant back into production, U.S. Steel indicated that, "***." Domestic interested parties' posthearing brief, Answers to Commission questions, page A-1.

[4] Staff requested an initial update on the status of Tenaris' Bay City, Texas plant, and whether there were any changes to the schedule to become operational in September 2017. Paolo Rocca, Chairman and CEO of Tenaris S.A. stated, "Our Bay City mill is processing and threading pipes in anticipation of the start-up of the rolling mill in September. We are moving exactly in this direction when we invested $1.8 billion in the United States, and the plant in Bay City that will start up from September is exactly aimed at a more integrated supply chain for the industry." ***, email message to USITC Staff, August 22, 2017 (citing press release).

[5] Staff requested an additional update on the status of Tenaris' Bay City, Texas plant in the aftermath of Hurricane Harvey. On August 31, 2017 Tenaris S.A. publicly announced "that all its facilities in Houston, Freeport and Bay City are gradually resuming operations from today following the passage of Hurricane Harvey and subsequent extensive flooding in the area. The facilities, including Bay City, suffered no major flooding or damage. The construction work on the Bay City mill is also resuming and, in accordance with our preliminary assessment, the rolling of the first pipe will be delayed until October." ***, email message to USITC Staff, September 5, 2017.

Table III-1
Seamless SLP pipe: U.S. Important industry events, since 2011

Plant openings:	
Benteler	In August 2015, Benteler Steel/Tube Manufacturing Corp. ("Benteler") began production operations at its hot-rolling seamless steel tube mill in Caddo Bossier, Louisiana.[1]
Tenaris	Tenaris invested $1.8 billion in the construction of a seamless pipe mill in Bay City, Texas to be operational in the Fall of 2017. The new mill will have a production capacity of 600,000 short tons annually.[2] [3] Tenaris delayed the start of production to October 2017 due to the extensive flooding and damage caused by Hurricane Harvey.[4]
Plant closings:	
U.S.Steel	In March 2017, U.S. Steel announced plans to permanently close part of the pipe mill at the Lorain, Ohio plant in June 2017.[5] [6] ***[7]
Expansions:	
***	***[8]
Prolonged shutdowns or curtailments:	
U.S. Steel	In March 2016, U.S. Steel idled seamless pipe production at its plant at Fairfield, Alabama and idled all but one production line at its facility in Lorain, Ohio.[9] ***[10]
TMK IPSCO	In May 2015, TMK IPSCO idled operations at its Koppel and Ambridge, Pennsylvania plants due to declining demand for energy market related goods, resulting in lay-offs of 115 workers.[11]
***	***[12]
PTC	In April 2015, PTC Seamless Tube Corporation, a subsidiary of PTC Group Holdings, filed for bankruptcy. PTC Seamless was in the process of installing a seamless pipe mill in Hopkinsville, Kentucky. Seamless pipe-making assets were auctioned off in August 2016.[13]
Revised labor agreements:	
***	***[14]

[1] *Biz Magazine*, "Benteler Steel readies tube mill at Caddo-Bassier," December 8, 2015 http://www.bizmagsb.com/benteler-steel-launches-tube-mill/, retrieved November 17, 2016.
[2] *American Metal Market*, "Seamless Pipe Investments Weigh Heavy on Mills, http://www.amm.com/Article/3533236/Seamless-pipe-investments-weigh-heavy-on-mills.html, retrieved November 5, 2016.
[3] *The Houston Chronicle*, "Tenaris spending $1.8 billion on pipe plant amid oil slump," June 3, 2016, http://www.houstonchronicle.com/business/article/Tenaris-spending-1-8-billion-on-pipe-plant-amid-7963028.php, retrieved July 17, 2017.
[4] *Benzinga*, "Tenaris reports no major damage to its industrial sites in South Texas following Hurricane Harvey," August 31, 2017, https://www.benzinga.com/pressreleases/17/08/m10005401/tenaris-reports-no-major-damage-to-its-industrial-sites-in-south-texas, retrieved September 5, 2016.
[5] *The Chronicle-Telegram*, "U.S. Steel closes portion of Lorain Mill for good," March 11, 2017, http://www.crainscleveland.com/article/20160424/NEWS/160429902/lorains-steel-industry-is-almost-at-a-standstill, retrieved June 28, 2017.
[6] American *Metal Market*, "USS Temporarily Idling Lone Star, Fairfield Tubular Ops," March 18, 2016, http://www.amm.com/Article/3539009/USS-temporarily-idling-Lone-Star-Fairfield-tubular-ops.html, retrieved November 7, 2016.
[7] *** U.S. producers' questionnaire response, section II-2.
[8] *** U.S. producers' questionnaire response, section II-2.
[9] Crain's Cleveland Business, "Lorain's Steel Industry Is Almost at a Standstill," May 3, 2016, http://www.chroniclet.com/Local-News/2017/03/11/U-S-steel-closes-portion-of-Lorain-mill-for-good.html, retrieved November 14, 2016.
[10] *** U.S. producers' questionnaire response, section II-2.

[11] *American Metal Market*, "TMK IPSCO Lays off 115 Workers at Pa. Plants," May 13, 2015, http://www.amm.com/Article/3453452/TMK-Ipsco-lays-off-115-workers-at-Pa-plants.html, retrieved November 7, 2016.
[12] *** U.S. producers' questionnaire response, section II-2.
[13] *American Metal Market*, "PTC Seamless to Auction off Ky. Assets," August 13, 2015, http://www.amm.com/Article/3479420/PTC-Seamless-to-auction-off-Ky-assets.html, retrieved November 10, 2016.
[14] *** U.S. producers' questionnaire response, section II-2.

Changes experienced by the industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of seamless SLP pipe production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of seamless SLP pipe since January 2011. Six of the 10 domestic producers indicated that they had experienced such changes; their responses are presented in table III-2.

Table III-2
Seamless SLP pipe: Changes in the character of U.S. operations since January 1, 2011

* * * * * * *

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of seamless SLP pipe. Four U.S. producers indicated that they anticipated changes in their operations. Their responses appear in table III-3.

Table III-3
Seamless SLP pipe: Anticipated changes in the character of U.S. operations

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-4 presents U.S. producers' production, capacity, and capacity utilization for small diameter seamless SLP pipe. From 2014 to 2016, U.S. producers' overall capacity decreased by 50.1 percent, while overall production decreased by 76.6 percent, the average capacity utilization rate decreased by 34.9 percentage points. *** reported the largest decrease in production by (*** percent), which was largely attributed to the idling and eventual shutdown of the *** mill in 2017.

Table III-4
Small diameter seamless SLP pipe: U.S. producers' production, capacity, and capacity utilization, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Capacity (short tons)				
ArcelorMittal Tubular	***	***	***	***	***
Benteler	***	***	***	***	***
TMK IPSCO	***	***	***	***	***
MS Tube	***	***	***	***	***
Plymouth	***	***	***	***	***
PTC	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Vallourec Star	***	***	***	***	***
Webco	***	***	***	***	***
Total	260,894	187,422	130,061	40,449	43,088
	Production (short tons)				
ArcelorMittal Tubular	***	***	***	***	***
Benteler	***	***	***	***	***
TMK IPSCO	***	***	***	***	***
MS Tube	***	***	***	***	***
Plymouth	***	***	***	***	***
PTC	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Vallourec Star	***	***	***	***	***
Webco	***	***	***	***	***
Total	171,587	47,533	40,118	9,157	20,723
	Capacity Utilization (percent)				
ArcelorMittal Tubular	***	***	***	***	***
Benteler	***	***	***	***	***
TMK IPSCO	***	***	***	***	***
MS Tube	***	***	***	***	***
Plymouth	***	***	***	***	***
PTC	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Vallourec Star	***	***	***	***	***
Webco	***	***	***	***	***
Average	65.8	25.4	30.8	22.6	48.1

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

Table III-5 presents data on U.S. producers' overall capacity and production of products on the same machinery for small diameter seamless SLP pipe. From 2014 to 2016, U.S. producers' overall capacity decreased by 24.1 percent, while total production decreased by 60.0 percent. The overall capacity utilization rate decreased by 38.2 percentage points, while the share of production of small diameter seamless SLP pipe decreased by 11.6 percentage points during 2014-16.

Table III-5
Small diameter seamless SLP pipe: U.S. producers' overall capacity and production of products on the same machinery, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Quantity (short tons)				
Overall capacity	764,760	574,028	580,445	170,166	135,021
Production:					
Small seamless SLP pipe	171,587	47,533	40,118	9,157	20,723
OCTG	331,349	95,647	146,103	23,765	49,996
Other products	114,306	63,935	60,788	12,708	15,691
Subtotal, out-of-scope products	445,655	159,582	206,891	36,473	65,687
Total production	617,242	207,115	247,009	45,630	86,410
	Ratios and shares (percent)				
Capacity utilization	80.7	36.1	42.6	26.8	64.0
Share of production:					
Small seamless SLP pipe	27.8	23.0	16.2	20.1	24.0
OCTG	53.7	46.2	59.1	52.1	57.9
Other products	18.5	30.9	24.6	27.9	18.2
Subtotal, out-of-scope products	72.2	77.0	83.8	79.9	76.0
Total production	100.0	100.0	100.0	100.0	100.0

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

Table III-6 presents U.S. producers' production, capacity, and capacity utilization for large diameter seamless SLP pipe. From 2014 to 2016, U.S. producers' overall capacity decreased by *** percent, while overall production decreased by *** percent. The average capacity utilization rate decreased by *** percentage points. *** reported the largest capacity of all of the U.S. producers, and remained the largest producer of large diameter seamless SLP pipe, albeit with diminished volumes after 2014.

Table III-6
Large diameter seamless SLP pipe: U.S. producers' capacity and production by company, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Capacity (short tons)				
ArcelorMittal Tubular	***	***	***	***	***
Plymouth	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Vallourec Star	***	***	***	***	***
Total	***	***	***	***	***
	Production (short tons)				
ArcelorMittal Tubular	***	***	***	***	***
Plymouth	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Vallourec Star	***	***	***	***	***
Total	***	***	***	***	***
	Capacity Utilization (percent)				
ArcelorMittal Tubular	***	***	***	***	***
Plymouth	***	***	***	***	***
U.S. Steel	***	***	***	***	***
Vallourec Star	***	***	***	***	***
Average	***	***	***	***	***

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

Table III-7 presents data on U.S. producers' overall capacity and production of products on the same machinery for large diameter seamless SLP pipe. From 2014 through 2016, U.S. producers' overall capacity increased by *** percent, while total production decreased by *** percent. Consequently, the overall capacity utilization rate decreased by *** percentage points. From 2014 through 2016, the production of large diameter seamless SLP pipe decreased by *** percent, while the share of production of large diameter seamless SLP pipe decreased by *** percentage points.

Table III-7
Large diameter seamless SLP pipe: U.S. producers' overall capacity and production of products on the same machinery, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

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

Table III-8 presents U.S. producers' U.S. shipments, export shipments, and total shipments for small diameter seamless SLP pipe. From 2014 through 2016, total shipments of small diameter seamless SLP pipe decreased by 76.6 percent, while U.S shipments decreased by 76.5 percent. The value of total shipments decreased by 77.2 percent, while the value of U.S. shipments decreased by the same amount during 2014-16. From 2014 through 2016, the unit

value of total shipments decreased by 2.5 percent, while the unit value of U.S. shipments decreased by 2.9 percent.

Table III-8
Small diameter seamless SLP pipe: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Quantity (short tons)				
U.S. shipments	171,523	48,742	40,224	8,879	22,638
Export shipments	577	118	106	71	188
Total shipments	172,100	48,860	40,330	8,950	22,826
	Value (1,000 dollars)				
U.S. shipments	313,695	100,780	71,397	18,216	34,396
Export shipments	1,269	425	549	434	170
Total shipments	314,964	101,205	71,946	18,650	34,566
	Unit value (dollars per short ton)				
U.S. shipments	1,829	2,068	1,775	2,052	1,519
Export shipments	2,199	3,602	5,179	6,113	904
Total shipments	1,830	2,071	1,784	2,084	1,514
	Share of quantity (percent)				
U.S. shipments	99.7	99.8	99.7	99.2	99.2
Export shipments	0.3	0.2	0.3	0.8	0.8
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. shipments	99.6	99.6	99.2	97.7	99.5
Export shipments	0.4	0.4	0.8	2.3	0.5
Total shipments	100.0	100.0	100.0	100.0	100.0

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

Table III-9 presents U.S. producers' U.S. shipments, export shipments, and total shipments for large diameter seamless SLP pipe. From 2014 through 2016, total shipments of large diameter seamless SLP pipe decreased by *** percent, while U.S shipments decreased by *** percent. The value of total shipments decreased by *** percent, while the value of U.S. shipments decreased by *** percent.[6] From 2014 through 2016, the unit value of total shipments decreased by *** percent, while the unit value of U.S. shipments decreased by *** percent.

Table III-9
Large diameter seamless SLP pipe: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

[6] The share of quantity of export shipments increased by *** percentage points, while the share of value increased by *** percentage points during 2014-16.

U.S. PRODUCERS' INVENTORIES

Tables III-10 and III-11 present U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' small and large diameter seamless SLP pipe production, U.S. shipments, and total shipments. From 2014 to 2016, U.S. producers' inventories of small diameter SLP pipe decreased by 14.4 percent, while the ratio of inventories to total shipments increased by 16.5 percentage points.

Table III-10
Small diameter seamless SLP pipe: U.S. producers' inventories, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Quantity (short tons)				
U.S. producers' end-of-period inventories	10,689	9,362	9,150	9,569	7,047
	Ratio (percent)				
Ratio of inventories to.--					
U.S. production	6.2	19.7	22.8	26.1	8.5
U.S. shipments	6.2	19.2	22.7	26.9	7.8
Total shipments	6.2	19.2	22.7	26.7	7.7

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

U.S. producers' inventories of large diameter SLP pipe increased by *** percent, while the ratio of inventories to total shipments increased by *** percentage points during 2014-16.

Table III-11
Large diameter seamless SLP pipe: U.S. producers' inventories, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

Table III-12 presents data on U.S. producers' domestic small diameter seamless SLP pipe production and U.S producers' imports of small diameter seamless SLP pipe. From 2014 through 2016, *** imported small diameter seamless SLP pipe. *** imported the largest quantities of small diameter seamless SLP pipe. *** did not begin U.S. production until 2016, while *** was the only U.S. producer that reported imports of small diameter seamless SLP pipe from a subject source (Romania). No U.S. producer reported purchasing imports of small or large diameter seamless SLP pipe from subject sources.[7]

[7] *** purchased a small amount (***) of imported small diameter seamless SLP pipe from ***. *** is a U.S. distributor that purchased small diameter seamless SLP pipe from U.S. producers and purchased

(*continued*...)

Table III-12
Small diameter seamless SLP pipe: U.S. producers' U.S. imports, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table III-13 presents data on U.S. producers' domestic large diameter seamless SLP pipe production and U.S producers' imports of large diameter seamless SLP pipe. From 2014 through 2016, *** imported large diameter seamless SLP pipe. *** imported the largest quantities of large diameter seamless SLP pipe.[8]

Table III-13
Large diameter seamless SLP pipe: U.S. producers' U.S. imports, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND SEAMLESS SLP PIPE PRODUCTIVITY

The overall employment trends for both small and large diameter seamless SLP pipe since January 2014 have been in general decline. Table III-14 presents U.S. producers' employment-related data for small diameter seamless SLP pipe. During 2014-16, U.S. producers' employment of production and related workers (PRWs) decreased by 23.0 percent.[9] [10] During 2014-16, productivity decreased by 59.9 percent, total hours worked declined by 41.6 percent, unit labor costs increased by 133.9 percent, and wages paid decreased by 45.3 percent.[11]

(…*continued*)
imports from nonsubject sources. Additionally, *** purchased *** short tons of domestically produced, small diameter seamless SLP pipe from *** in 2016. *** producer questionnaire, section II-10.

[8] *** purchased a small amount (***) of domestically produced, large diameter seamless SLP pipe from *** in 2016. *** producer questionnaire, section II-10.

[9] Daniel Flippo, Director of United Steelworkers District 9, indicated that, "By our estimates, more than a quarter of the workers who produce seamless SLP have lost their jobs since 2014. That's 1 in 4 steelworkers in the segment of the steel industry that's seen job displacement." Hearing transcript, p. 21 (Flippo).

[10] Since January 2017, the employment of PRW's for small diameter seamless SLP pipe has generally increased. The increase in PRW's was largely due to ***. During USITC staff fieldwork ***. *** U.S. producer questionnaire, section II-9, and ***.

[11] *** employment data were incomplete due to the lack of PRWs for both small and large diameter production, along with missing information regarding hours worked, and wages. Staff adjusted *** employment data to include one PRW for each year and interim period.

Table III-14
Small diameter seamless SLP pipe: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, seamless SLP pipe productivity, and unit labor costs, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
Production and related workers (PRWs) (number)	256	185	197	135	189
Total hours worked (1,000 hours)	574	367	335	78	124
Hours worked per PRW (hours)	2,242	1,984	1,701	578	656
Wages paid ($1,000)	21,341	11,537	11,671	2,706	4,486
Hourly wages (dollars per 1,000 hours)	$37.18	$31.44	$34.84	$34.69	$36.18
Productivity (short tons per hour)	298.9	129.5	119.8	117.4	167.1
Unit labor costs (dollars per short ton)	$124	$243	$291	$296	$216

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

Table III-15 presents U.S. producers' employment-related data for large diameter seamless SLP pipe. From 2014 through 2016, U.S. producers' employment of production and related workers (PRWs) decreased by *** percent. During this period, wages paid decreased by *** percent, while the total hours worked declined by *** percent. Between January 2014 and December 2016, productivity decreased by *** percent, while unit labor costs increased by *** percent, and hours per PRW decreased by *** percent.

Table III-15
Large diameter seamless SLP pipe: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, seamless SLP pipe productivity, and unit labor costs, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Nine U.S. producers provided usable financial data on their operations of small and large diameter seamless SLP pipe.[12] ArcelorMittal Tubular, Plymouth, U.S. Steel, and Vallourec Star[13] reported producing both small and large diameter seamless SLP pipe while Benteler, MS Tube, PTC, TMK IPSCO, and Webco reported producing only small diameter seamless SLP pipe.[14] These reported data are believed to represent the majority of U.S. small and large seamless SLP pipe production during the period for which data were collected.[15]

From 2014 to 2016, the marked decline in net sales quantity and value for both small and large diameter seamless SLP pipe principally reflected the changes in operations of ***.[16]

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[12] Seven firms reported financial results on the basis of generally accepted accounting principles ("GAAP") with two firms *** and *** reporting financial data using International Financial Reporting Standards ("IFRS"). All nine U.S. producers provided complete financial data on a calendar-year basis. ***.

[13] ***.

[14] Benteler built a new greenfield mill in Shreveport, Louisiana and began production and shipping in 2016. It stated that ***. Benteler U.S. producers' questionnaire, II-3b, II-9, and III-15.

[15] ***. According to The Timken Company's press release, TimkenSteel Corporation completed its spinoff from The Timken Company and is an independent company traded on the New York Stock Exchange as of July 1, 2014. The new company is "a leader in North America in large alloy steel bars (6"+) and seamless mechanical tubing made of its special bar quality steel, as well as supply chain and steel services. Operating from six countries, TimkenSteel posted sales of $1.4 billion in 2013, based on steel segment sales as part of The Timken Company." Timken webpage, http://news.timken.com/2014-06-30-Timken-Completes-Spinoff-of-TimkenSteel-Corporation, retrieved July 6, 2017. Effective January 1, 2016, Timken eliminated segment reporting "as a result of organizational changes made in the second half of 2015." On December 3, 2016, TimkenSteel also changed its accounting principle for recognizing actuarial gains and losses and expected returns on plan assets for its defined benefit pension and other postretirement benefit plan. TimkenSteel's 2015 Form 10-K, pp. 2, 46, and 71 (as filed).

[16] U.S. Steel's 2016 Form 10-K stated that it is the third largest steel producer in the United States with raw steel production capacity of 17 million net tons. In 2013, U.S. steel launched a "transformational process" called the Carnegie Way. "The Carnegie Way is a framework that helps employees address all aspects of our business and achieve sustainable improvements through process efficiencies and strategic investments. Key accomplishments to date include a more intense focus on cash flow, a stronger balance sheet and a revised approach to how we view shipment volume and production."

U.S. Steel's tubular segment includes operating results of U.S. tubular production facilities that produced and sold OCTG and mechanical tubing as well as standard and line pipe. Seamless products are produced at Fairfield Tubular Operations in Fairfield, Alabama and Lorain Tubular Operations located in Lorain, Ohio. The Fairfield facility has annual production capability of 750,000 tons, the capability to produce O.D. sizes from 4.5 to 9.875 inches and has quench and temper, hydrotester, threading and coupling and inspection capabilities. Lorain #3 facility has the capability to produce 380,000 tons annually in O.D. sizes from 10.125 to 26 inches and has quench and temper, hydrotester, cutoff and

(*continued*...)

's curtailment of its ***.[17] Demand for OCTG also affected product mix for ***'s production of seamless SLP pipe, with its *** seamless mill production also curtailed. For small diameter seamless tubular products, ***'s net sales declined by *** short tons and $ from 2014 to 2016. ***'s changes in net sales accounted for *** percent of the total decline of net sales quantity for the responding small diameter U.S. producers. *** had a similar effect on large diameter seamless SLP pipe, with ***'s net sales declining by *** short tons and $*** from 2014 to 2016. For large diameter operations, ***'s changes accounted for *** percent of the total decline of net sales quantity for the responding large diameter U.S. producers. *** also reported *** in ***. In response to USITC staff regarding ***.[18] ***.[19] As a result, industry-wide financial analysis from 2014 to 2016 for both small and large diameter seamless SLP pipe focuses on per-unit and ratio-to-net sales comparisons.

OPERATIONS ON SMALL DIAMETER SEAMLESS SLP PIPE

Table III-18 presents data on U.S. producers' operations on small diameter seamless SLP pipe. Table III-19 shows the change in average unit values of select financial indicators for small diameter seamless SLP pipe. Table III-20 presents selected company-specific financial data of small diameter seamless SLP pipe.

(…*continued*)
inspection capabilities. After the shutdown of the hot end at the Fairfield Works in August 2015, U.S. Steel has been purchasing rounds from third parties for the production of seamless products at both Fairfield, Alabama and Lorain, Ohio facilities. Since the second quarter of 2015, U.S. Steel began constructing an EAF plant at Fairfield Works to replace the steel rounds previously made by the hot end facility at Fairfield Words. It plans to supply both Fairfield and Lorain facilities with steel rounds once the EAF plant is in operation. The completion of the EAF plant has been delayed "until market conditions improve." U.S. Steel's 2016 Form 10-K, p. 32 (as filed).

[17] ***. ***, email response to USITC staff, June 26, 2017.

[18] U.S. Steel's 2016 Form 10-K reported shutdown costs. U.S. Steel's 2016 Form 10-K recorded a loss of $126 million related to shut down costs (including write down of inventory and assets and restructuring charges) of three tubular pipe mill assets related to the permanent closures of Lorain #4 and two out-of-scope facilities (Lone Star #1 mill and Bellville, Texas tubular operations). This loss was not allocated to each business segment. U.S. Steel's 2016 Form 10-K, pp. 77, 79, F-49, and F-50 (as filed).

[19] ***, email response to USITC staff, June 26, 2017.

Table III-18
Small diameter seamless SLP pipe: Results of operations of U.S. producers, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Quantity (short tons)				
Commercial shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	172,100	48,860	40,330	8,950	22,411
	Value (1,000 dollars)				
Commercial shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	314,964	101,205	71,946	18,650	34,566
Cost of goods sold.-- Raw materials	147,048	50,230	34,687	9,020	16,326
Direct labor	19,222	9,317	9,641	2,351	5,015
Other factory costs	61,933	29,613	17,443	3,463	9,372
Total COGS	228,203	89,160	61,771	14,834	30,713
Gross profit	86,761	12,045	10,175	3,816	3,853
SG&A expense	41,232	12,230	5,828	1,870	2,129
Operating income or (loss)	45,529	(185)	4,347	1,946	1,724
Interest expense	1,168	944	1,364	144	345
All other expenses	5,139	12,247	7,075	1,430	1,330
All other income	(14)	0	(21)	0	0
Net income or (loss)	39,208	(13,376)	(4,113)	372	49
Depreciation/amortization	11,305	10,826	6,455	1,510	1,613
Cash flow	50,513	(2,550)	2,342	1,882	1,662
	Unit value (dollars per short ton)				
Commercial shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	1,830	2,071	1,784	2,084	1,542
Cost of goods sold.-- Raw materials	854	1,028	860	1,008	728
Direct labor	112	191	239	263	224
Other factory costs	360	606	433	387	418
Average COGS	1,326	1,825	1,532	1,657	1,370
Gross profit	504	247	252	426	172
SG&A expense	240	250	145	209	95
Operating income or (loss)	265	(4)	108	217	77
Net income or (loss)	228	(274)	(102)	42	2

Table continued on the next page.

Table III-18--Continued
Small diameter Seamless SLP pipe: Results of operations of U.S. producers, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Ratio to COGS (percent)				
Cost of goods sold.-- Raw materials	64.4	56.3	56.2	60.8	53.2
Direct labor	8.4	10.4	15.6	15.8	16.3
Other factory costs	27.1	33.2	28.2	23.3	30.5
Total COGS	100.0	100.0	100.0	100.0	100.0
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	46.7	49.6	48.2	48.4	47.2
Direct labor	6.1	9.2	13.4	12.6	14.5
Other factory costs	19.7	29.3	24.2	18.6	27.1
Total COGS	72.5	88.1	85.9	79.5	88.9
Gross profit	27.5	11.9	14.1	20.5	11.1
SG&A expense	13.1	12.1	8.1	10.0	6.2
Operating income or (loss)	14.5	(0.2)	6.0	10.4	5.0
Net income or (loss)	12.4	(13.2)	(5.7)	2.0	0.1
	Number of firms reporting				
Operating losses	1	3	5	2	5
Data	8	8	9	8	9

[1] Not applicable.

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

Table III-19

Small diameter seamless SLP pipe: Changes in average unit values, between calendar years and between partial year periods

Item	Between calendar years			January to March
	2014-16	2014-15	2015-16	2016-17
	Changes in unit values (dollars per short ton)			
Commercial shipments	***	***	***	***
Internal consumption	***	***	***	***
Transfers to related firms	***	***	***	***
Total net sales	(46)	241	(287)	(541)
Cost of goods sold.-- Raw materials	6	174	(168)	(279)
Direct labor	127	79	48	(39)
Other factory costs	73	246	(174)	31
Average COGS	206	499	(293)	(287)
Gross profit	(252)	(258)	6	(254)
SG&A expense	(95)	11	(106)	(114)
Operating income or (loss)	(157)	(268)	112	(141)
Net income or (loss)	(330)	(502)	172	(39)

[1] Not applicable.

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

Table III-20

Small diameter seamless SLP pipe: Select results of operations of U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Net sales quantity (short tons)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales quantity	172,100	48,860	40,330	8,950	22,411
	Net sales value (1,000 dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales value	314,964	101,205	71,946	18,650	34,566
	COGS (1,000 dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total COGS	228,203	89,160	61,771	14,834	30,713

Table continued on next page.

Table III-20--Continued

Small diameter seamless SLP pipe: Select results of operations of U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
Gross income or (loss) (1,000 dollars)					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total gross income or (loss)	86,761	12,045	10,175	3,816	3,853
SG&A expenses (1,000 dollars)					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total SG&A expenses	41,232	12,230	5,828	1,870	2,129
Operating income or (loss) (1,000 dollars)					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total operating income or (loss)	45,529	(185)	4,347	1,946	1,724

Table continued on next page.

Table III-20--Continued

Small diameter seamless SLP pipe: Select results of operations of U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	COGS to net sales value (percent)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average COGS to sales	72.5	88.1	85.9	79.5	88.9
	Gross income or (loss) to net sales value (percent)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average gross income or (loss) to sales	27.5	11.9	14.1	20.5	11.1
	SG&A expenses to net sales value (percent)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average SG&A expenses to sales	13.1	12.1	8.1	10.0	6.2

Table continued on next page.

Table III-20--Continued

Small diameter seamless SLP pipe: Select results of operations of U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Operating income or (loss) to net sales value (percent)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average operating income or (loss) to sales	14.5	(0.2)	6.0	10.4	5.0
	Unit net sales value (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit net sales value	1,830	2,071	1,784	2,084	1,542
	Unit raw materials (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit raw materials	854	1,028	860	1,008	728

Table continued on next page.

Table III-20--Continued

Small diameter seamless SLP pipe: Select results of operations of U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Unit direct labor (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit direct labor	112	191	239	263	224
	Unit other factory costs (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit other factory costs	360	606	433	387	418
	Unit COGS (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit COGS	1,326	1,825	1,532	1,657	1,370

Table continued on next page.

Table III-20--Continued

Small diameter seamless SLP pipe: Select results of operations of U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

Item	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Unit gross income or (loss) (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit gross income or (loss)	504	247	252	426	172
	Unit SG&A expense (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit SG&A expense	240	250	145	209	95
	Unit operating income or (loss) (dollars per short ton)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit operating income or (loss)	265	(4)	108	217	77

[1] Not applicable. ***.

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

For small diameter seamless SLP pipe producers, net sales primarily reflect commercial sales (more than 98 percent of total sales quantity) during the period examined.[20] [21] As noted earlier, the net sales quantity and value declined markedly for small diameter seamless SLP pipe from 2014 to 2016, primarily due to the curtailment and closure of ***. The average unit value ("AUV") of net sales increased from 2014 to 2015, but fell from 2015 to 2016, and was lower in January-March 2017 than in January-March 2016. Total net sales were much higher on a quantity and value basis in January-March 2017 than in January-March 2016 for most U.S. producers of small diameter seamless SLP pipe.[22] As shown in table III-20, all except one firm experienced large fluctuations in sales quantity and value ***. *** producers reported declines in average unit values from 2014 to 2016. The net sales quantity and unit value comparisons for the January-March 2016 and January-March 2017 period were mixed.

For small diameter operations, raw material costs represent the single largest component of overall COGS, at 64.4 percent in 2014, 56.3 percent in 2015, and 56.2 percent in 2016; raw material costs were a smaller percentage in January-March 2017 than in January-March 2016. Table III-20 shows that average unit values for raw material costs, direct labor, and other factory costs varied from company to company.[23] [24] These cost differences may reflect underlying differences in product mix between small diameter and large diameter seamless SLP pipe for the three firms that produce both small diameter and large diameter. SG&A expenses (on a per-unit basis and as a ratio to net sales) declined steadily from 2014 to 2016 and were lower in January-March 2017 than in January-March 2016.[25]

Operating income, both in total and as a ratio to net sales, declined for small diameter U.S. producers from 2014 to 2016, with the worst performance reported in 2015, and was lower in January-March 2017 than in January-March 2016. Five U.S. producers of small diameter SLP pipe reported operating losses in 2016: ***. Three U.S. producers, ***, reported operating profits throughout the period examined, although all three experienced declines in their operating profits from 2014 to 2016. Five U.S. producers *** reported interest expenses ranging from $*** to $*** from 2014 to 2016 and $*** and $*** in January to March 2016 and

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[20] Only *** reported internal consumption of small diameter seamless SLP pipe.

[21] *** reported transfers to related firms in 2016 equivalent to *** percent of total sales volume. No U.S. producer transfers in 2014, 2015, or interim January-March 2017.

[22] Total net sales quantity and value for January-March 2017 also ***.

[23] One firm, ***, reported nonrecurring expenses of $*** from a union arbitration settlement and $*** for a signing bonus that were classified as direct labor costs in 2014 for its small diameter seamless SLP pipe operations. It also reported a nonrecurring credit of $*** from recognition of retiree health care contributions that was classified as a credit to direct labor costs in 2016.

[24] ***. ***. ***.

[25] Two firms reported nonrecurring expenses that were classified as SG&A for their small diameter seamless SLP pipe operations. *** reported nonrecurring expenses of $*** from an out-of-court legal settlement that was classified as SG&A expenses (recorded as a "miscellaneous operating charge") in 2015 and *** reported nonrecurring expenses of $*** from restructuring charges that was classified as SG&A expenses in 2014.

2017, respectively.[26] U.S. producers also reported other expenses of $*** in 2014, $*** in 2015, $*** in 2016, $*** in January to March 2016, and $*** in January to March 2017.[27] Overall, net income followed the same trend as operating income decreasing from an income of $39.2 million in 2014, to a loss of $13.4 million in 2015, and then improving slightly to a smaller loss of $4.1 million in 2016. Net income was lower in January to March 2017 than January to March 2016.

OPERATIONS ON LARGE DIAMETER SEAMLESS SLP PIPE

Table III-21 presents data on U.S. producers' operations on large diameter seamless SLP pipe. Table III-22 shows the change in average unit values of select financial indicators for large diameter seamless SLP pipe. Table III-23 presents selected company-specific financial data of large diameter seamless SLP pipe.

Table III-21
Large diameter seamless SLP pipe: Results of operations of U.S. producers, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table III-22
Large diameter seamless SLP pipe: Changes in average unit values, between calendar years and between partial year periods

* * * * * * *

Table III-23
Large diameter seamless SLP pipe: Select results of operations of U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

[26] *** reported interest income, as credits, for its small diameter seamless SLP pipe operations.

[27] *** reported nonrecurring expenses of $*** in 2015 and $*** in 2016 related to goodwill impairment expenses that were classified as other expenses. *** reported nonrecurring expenses of $*** in 2014, $*** in 2015, $*** in 2016, $*** in January to March 2016, and $*** in January to March 2017, all related to restructuring charges that were classified as other expenses. *** reported nonrecurring expenses of $*** in 2015 related to prorate goodwill impairment that was classified as other expenses. *** reported nonrecurring expenses of $*** in 2014, $*** in 2015, and $*** in January to March 2016 and nonrecurring income of $*** in 2016 and $*** in January to March 2017, *** that were classified as other expenses/income.

For large diameter seamless SLP pipe producers,[28] total net sales were mostly commercial sales during the period examined).[29] As previously stated, ***'s curtailment and closure was primarily responsible for the sharp decline in net sales quantity and value for large diameter seamless SLP pipe from 2014 to 2016. The AUV of net sales decreased from 2014 to 2016 and was slightly higher in January-March 2017 than in January-March 2016. As shown in table III-23, U.S. producers experienced declines in sales quantity and value from 2014 to 2016; net sales quantity and value were much higher in January-March 2017 than January-March 2016 for the two largest producers *** of large diameter seamless SLP pipe.

Raw material costs for large diameter seamless SLP pipe declined as a share of overall COGS, at *** percent in 2014, *** percent in 2015, and *** percent in 2016. Raw material costs were a larger percentage of overall COGS in January-March 2017 than in January-March 2016. As shown in table III-23, average unit raw material costs, direct labor, and other factory costs varied from company to company.[30] [31] SG&A expenses (on a per-unit basis and as a ratio to net sales) increased from 2014 to 2016, with *** reporting the largest increase.[32] For the interim period, SG&A expenses per unit were lower in January-March 2017 than in January-March 2016.

For large diameter producers, operating income, both in total and as a ratio to net sales, declined from an operating profit in 2014 to increasingly large operating losses in 2015 and 2016, driven primarily by ***. In contrast, U.S. producer, *** reported positive but declining operating income throughout the period, with operating income to net sales ratios ranging from *** from 2014 to 2016. Between the comparable interim periods, January-March 2017 had lower operating losses than in January-March 2016. U.S. producers' reported interest expenses ranged from $*** to $*** from 2014 to 2016 and were higher in January to March 2017 than January to March 2016.[33] U.S. producers reported other expenses of $*** in 2014, $*** in 2015, $*** in 2016, $*** in January to March 2016, and $*** in January to March 2017.[34] Overall, net income followed the same trend as operating income, decreasing from an

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[28] As previously noted, ***.

[29] No U.S. producer of large diameter seamless SLP pipe reported internal consumption. One U.S. producer, ***, reported transfers to related firms in 2016 only, equivalent to *** percent of total sales volume.

[30] One firm, ***, reported nonrecurring expenses of $*** from a union arbitration settlement and a $*** signing bonus that were classified as direct labor costs in 2014 for its large diameter seamless SLP pipe operation. It also reported a nonrecurring credit of $*** from recognition of retiree health care contributions that was classified as a credit to direct labor costs in 2016.

[31] *** ***.

[32] ***. One firm, ***, reported nonrecurring expenses of $*** from an out-of-court legal settlement that was classified as SG&A expenses (recorded as a "miscellaneous operating charge") ***.

[33] All interest expenses for large diameter seamless SLP pipe were reported by ***. ***.

[34] *** reported nonrecurring expenses of $*** in 2014, $*** in 2015, $*** in 2016, $*** in January to March 2016, and $*** in January to March 2017 from plant idling and other nonrecurring expenses that were classified as other expenses. ***. ***.

income of *** in 2014, to a loss of *** in 2015, and fell further to a loss of *** in 2016. The net loss was higher in January to March 2017 than January to March 2016.

Variance analysis

Summary variance analyses for the operations of U.S. producers on small and large diameter seamless SLP pipe are presented in tables III-24 and III-25. The information for these variance analyses is derived from tables III-18 and III-21.[35] From 2014 to 2016, the decrease of $41.2 million in operating income for U.S. producers of small diameter seamless SLP pipe was attributable to the unfavorable variances in all three indicators of price (unit prices fell), volume (sales volume declined), and net cost/expense (unit costs and expenses increased). The variance analysis for U.S. producers of large diameter SLP pipe was similar from 2014 to 2016, with a decrease of $*** in operating income due to unfavorable variances in price, volume, and net cost/expense. For January-March 2017 compared to January-March 2016, small diameter seamless SLP pipe producers' lower operating income is due to a large unfavorable price variance despite favorable variances for net cost/expense and volume (i.e. prices decreased more than costs and expenses and volume increased). However, large diameter seamless SLP pipe producers experienced higher operating income in January-March 2017 compared to January-March 2016 due to favorable price and net cost/expense variances despite an unfavorable net volume variance (i.e. prices increased while cost and expenses decreased and volume declined).

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

Table III-24

Small diameter seamless SLP pipe: Variance analysis for U.S. producers, between calendar years and between partial year periods

Item	Between calendar years			January to March
	2014-16	2014-15	2015-16	2016-17
	Value (1,000 dollars)			
Net sales:				
Price variance	(1,863)	11,785	(11,591)	(12,134)
Volume variance	(241,155)	(225,544)	(17,668)	28,050
Net sales variance	(243,018)	(213,759)	(29,259)	15,916
Cost of sales:				
Cost/expense variance	(8,294)	(24,372)	11,823	6,432
Volume variance	174,726	163,415	15,566	(22,311)
Total cost of sales variance	166,432	139,043	27,389	(15,879)
Gross profit variance	(76,586)	(74,716)	(1,870)	37
SG&A expenses:				
Cost/expense variance	3,834	(524)	4,267	2,554
Volume variance	31,570	29,526	2,135	(2,813)
Total SG&A expense variance	35,404	29,002	6,402	(259)
Operating income variance	(41,182)	(45,714)	4,532	(222)
Summarized as:				
Price variance	(1,863)	11,785	(11,591)	(12,134)
Net cost/expense variance	(4,459)	(24,896)	16,090	8,985
Net volume variance	(34,860)	(32,603)	32	2,927

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

Table III-25

Large diameter seamless SLP pipe: Variance analysis for U.S. producers, between calendar years and between partial year periods

* * * * * * *

Capital expenditures and research and development expenses

Tables III-26 and III-27 present capital expenditures and/or research and development ("R&D") expenses by firm for small and large diameter seamless SLP pipe. Capital expenditures for small diameter seamless SLP pipe decreased from 2014 to 2015, but more than doubled from 2014 to 2016 due to ***. Only one firm, ***, reported R&D expenses for ***.[36] Capital expenditures for large diameter seamless SLP pipe fluctuated from 2014 to 2016, with *** reporting a large increase in capital expenditures in 2015. Capital expenditures for both small diameter and large diameter seamless SLP pipe were lower in January to March 2017 than

[36] ***.

January to March 2016. No firms reported R&D expenses for large diameter seamless SLP pipe throughout the period examined.

Table III-26

Small diameter seamless SLP pipe: Capital expenditures and research and development expenses for U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table III-27

Large diameter seamless SLP pipe: Capital expenditures and research and development expenses for U.S. producers, by firm, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Assets and return on assets

Tables III-28 and III-29 present data on the U.S. producers' total assets and their return on assets ("ROA") for small and large diameter seamless SLP pipe, respectively. Total assets utilized in the production, warehousing, and sale of small diameter seamless SLP pipe decreased by *** percent from 2014 to 2016. The closure of U.S. Steel's Lorain #4 mill in 2015 *** was ***. The average ROA fell from 2014 to 2015, but improved slightly from 2015 to 2016. These fluctuations in ROA were mostly attributable to the data reported by ***. For large diameter seamless SLP pipe, assets decreased by *** percent from 2014 to 2016, primarily attributable to ***'s reduction in assets used for large diameter seamless pipe operations. The average ROA decreased each year, with *** accounting for the largest share of ROA declines.

Table III-28

Small diameter seamless SLP pipe: Value of assets used in production, warehousing, and sales, and return on assets for U.S. producers by firm, calendar years 2014-16

* * * * * * *

Table III-29

Large diameter seamless SLP pipe: Value of assets used in production, warehousing, and sales, and return on assets for U.S. producers by firm, calendar years 2014-16

* * * * * * *

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Overview

The Commission issued questionnaires to 60 firms believed to imported seamless SLP pipe since January 2014. Nineteen firms provided data and information in response to the questionnaires, while 19 firms indicated that they had not imported seamless SLP pipe.[1] Based on *** records for imports of seamless SLP pipe, importers' questionnaire data accounted for *** percent of total U.S. imports of small diameter seamless SLP pipe during 2016, and *** percent of total U.S. imports of large diameter seamless SLP pipe during 2016. Firms responding to the Commission's questionnaire accounted for the following shares (of *** records, by quantity) of U.S. imports of seamless SLP pipe during 2016:

- Zero percent of the small diameter subject imports from Japan during 2016;
- All or nearly all of small diameter subject imports from Romania during 2016 [2] and
- *** percent of large diameter subject imports from Japan during 2016.

In light of the data coverage by the Commission's questionnaires, import data in this report are based on official import statistics and from data compiled from *** records for small and large diameter seamless SLP pipe.[3] [4]

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[1] The Commission issued questionnaires to firms identified in responses to the notice of institution, along with firms that, based on data provided by U.S. Customs and Border Protection ("Customs"), may have imported greater than one percent of total imports under the relevant HTS statistical reporting numbers. Imports of seamless SLP pipe primarily enter the United States as follows:

- Small diameter seamless SLP pipe: 7304.19.1020, 7304.19.5020, 7304.31.6050, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025.
- Large diameter seamless SLP pipe: 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5050, 7304.31.6050, 7304.51.5005, 7304.51.5015, 7304.51.5045, 7304.51.5060, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070.

Subject imports from Japan and Romania are based solely on entries that were assessed antidumping duty deposits ("dutied" imports), while "nondutied" entries from Japan and Romania were removed from the total.

[2] Based on questionnaire responses, there were *** short tons of small diameter seamless SLP pipe imported from Romania in 2016, compared to *** short tons based on ***.

[3] Import data are presented based on *** for nonsubject sources, while subject imports are based on dutied imports from *** using the statistical reporting numbers identified above in footnote 1.

[4] *** submitted a U.S. importer questionnaire, but it did not include trade data due to its zero imports since January 1, 2014. Staff did not include *** questionnaire response in the Commission's dataset.

Imports from subject and nonsubject countries

Table IV-1 presents information on U.S. imports of small diameter seamless SLP pipe from Japan, Romania, and all other sources. From 2014 through 2016, the quantity of total imports of small diameter seamless SLP pipe decreased by *** percent and the value decreased by *** percent. During 2014-16, the quantity and value of imports of small diameter seamless SLP pipe from Japan *** increased. In contrast, the unit value of imports of small diameter seamless SLP pipe from Japan decreased by *** percent. From 2014 through 2016, the quantity and value of imports of small diameter seamless SLP pipe from Romania increased, while the unit value of imports of small diameter SLP pipe from Romania decreased by *** percent.

Table IV-1
Small diameter seamless SLP pipe: U.S. imports by source, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table IV-2 presents information on U.S. imports of large diameter seamless SLP pipe from Japan and all other sources. From 2014 through 2016, the quantity of total imports of large diameter seamless SLP pipe decreased by *** percent and the value decreased by *** percent. In contrast, the annual quantity and value of imports of large diameter seamless SLP pipe from Japan *** increased, while the unit value of imports of large diameter seamless SLP pipe from Japan decreased by *** percent. From 2014 through 2016, the quantity, value, and unit value of imports of large diameter seamless SLP pipe from nonsubject sources all decreased.

Table IV-2
Large diameter seamless SLP pipe: U.S. imports by source, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table IV-3 presents information on the leading nonsubject countries for U.S. imports of small diameter seamless SLP pipe in 2016. Korea was the primary source for such imports, while Germany was the second largest source. Germany's position largely reflects imports of small diameter seamless SLP pipe by *** during 2016.

Table IV-3
Small diameter seamless SLP pipe: Nonsubject U.S. imports by source, 2014-16, January to March 2016, and January to March 2017

Source	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Quantity (short tons)				
U.S. imports from.--					
Korea	28,845	18,620	16,482	3,577	3,150
Germany	47,988	22,851	15,806	4,816	2,635
Mexico	31,024	19,659	11,138	2,987	3,942
Ukraine	15,004	20,026	10,161	1,788	2,288
Russia	16,965	30,224	8,592	5,368	3,037
Canada	4,899	4,114	5,999	2,208	1,041
South Africa	14,321	5,133	5,995	463	1,460
India	33,439	20,136	5,481	1,085	1,933
Czech Republic	15,599	5,768	4,011	20	2,180
Taiwan	364	3,189	3,245	1,077	224
France	13,766	9,777	2,929	160	295
China	4,969	4,370	2,449	343	550
Spain	10,971	3,579	2,400	543	2,303
Brazil	4,235	3,514	2,283	0	575
All other sources	62,342	37,162	8,327	1,509	4,672
Nonsubject sources	304,732	208,121	105,296	25,944	30,285
	Share of total U.S. imports (percent)				
U.S. imports from.--					
Korea	***	***	***	***	***
Germany	***	***	***	***	***
Mexico	***	***	***	***	***
Ukraine	***	***	***	***	***
Russia	***	***	***	***	***
Canada	***	***	***	***	***
South Africa	***	***	***	***	***
India	***	***	***	***	***
Czech Republic	***	***	***	***	***
Taiwan	***	***	***	***	***
France	***	***	***	***	***
China	***	***	***	***	***
Spain	***	***	***	***	***
Brazil	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***

Table continued on next page.

Table IV-3-Continued
Small diameter seamless SLP pipe: Nonsubject U.S. imports by source, 2014-16, January to March 2016, and January to March 2017

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less that 0.05 percent. The orders on Czech Republic and South Africa were revoked after the Commission's negative determinations in the first reviews. U.S. imports from these sources are therefore included in nonsubject imports.

Source: Compiled official U.S. import statistics and from *** records using HTS statistical reporting numbers 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025, accessed August 29, 2017. Subject imports (i.e., from Japan and Romania) are based solely on entries that were assessed AD deposits ("dutied" imports), and "nondutied" entries from Japan and Romania were removed from the total.

Table IV-4 presents information on the leading nonsubject countries for U.S. imports of large diameter seamless SLP pipe in 2016. Mexico was the primary source for such imports, while Italy was the second largest source, largely reflecting products from *** during 2016. Tenaris has affiliates in Argentina, Italy, and Mexico, which include seamless tubular products, multiple tube mills, and millions of tons of capacity.[5] [6]

[5] *Tenaris S.A. webpage*, http://www.tenaristamsa.com/acerca-del-centro-industrial/, retrieved August 22, 2017.

[6] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa*, 71 FR 24860, April 27, 2006.

Table IV-4
Large diameter seamless SLP pipe: Nonsubject U.S. imports by source, 2014-16, January to March 2016, and January to March 2017

Source	Calendar year			January to March	
	2014	2015	2016	2016	2017
	Quantity (short tons)				
U.S. imports from.--					
Mexico	67,501	25,285	21,047	4,913	7,370
Italy	68,923	36,815	18,508	8,449	5,526
Ukraine	14,436	15,213	18,323	1,262	4,206
Russia	120,054	88,211	17,167	3,327	15,187
Czech Republic	20,784	10,449	15,627	2,247	4,535
Brazil	17,875	35,897	11,467	2,264	4,516
China	29,738	21,333	10,199	2,592	4,235
Romania	37,970	13,586	7,660	1,606	2,656
Germany	25,410	20,500	7,097	3,006	1,126
India	19,688	13,252	6,642	1,365	2,591
Korea	18,568	9,151	6,195	1,647	463
Thailand	18,707	6,281	5,313	1,013	54
South Africa	4,643	1,652	2,047	307	585
Spain	3,839	5,118	1,571	341	3,009
All other sources	64,520	36,028	8,428	2,591	4,074
Nonsubject sources	532,656	338,771	157,291	36,930	60,134
	Share of total U.S. imports (percent)				
U.S. imports from.--					
Mexico	***	***	***	***	***
Italy	***	***	***	***	***
Ukraine	***	***	***	***	***
Russia	***	***	***	***	***
Czech Republic	***	***	***	***	***
Brazil	***	***	***	***	***
China	***	***	***	***	***
Romania	***	***	***	***	***
Germany	***	***	***	***	***
India	***	***	***	***	***
Korea	***	***	***	***	***
Thailand	***	***	***	***	***
South Africa	***	***	***	***	***
Spain	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***

Table continued on next page.

Table IV-4-Continued
Large diameter seamless SLP pipe: Nonsubject U.S. imports by source, 2014-16, January to March 2016, and January to March 2017

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less that 0.05 percent. Mexico was previously a subject country in the original investigations, but the order on Mexico was revoked after the Commission's negative determination in the first reviews. U.S. imports from these sources are therefore included in nonsubject imports.

Source: Compiled official U.S. import statistics and *** records using HTS statistical reporting numbers 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5050, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed August 29, 2017. Subject imports (i.e., from Japan) are based solely on entries that were assessed AD deposits ("dutied" imports), and "nondutied" entries from Japan were removed from the total.

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 seamless SLP pipe 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 fungibility, geographical markets, and simultaneous presence in the market is presented below. Channels of distribution and fungibility (interchangeability) are discussed in Part II of this report.

Fungibility

As discussed in Part II, standard, line, and pressure pipe is generally intended to convey liquids and is typically tested and rated for its ability to withstand hydrostatic pressure (in both small and large diameter). Table IV-5 (small diameter) and table IV-6 (large diameter) present information on U.S. producers and U.S importers' U.S. shipments, by type, during 2016. The vast majority of U.S. shipments (combined U.S. producers and U.S. importers), by type, were of the multiple stencils (A-106, A-53, API 4LB, and X-42) for both small and large diameter, while U.S. shipments, by type, designated as "other" accounted for more than one quarter of U.S. shipments for both small and large diameter seamless SLP pipe in 2016.

Table IV-5
Small diameter seamless SLP pipe: U.S. producers and U.S. importers' U.S. shipments by type, 2016

* * * * * * *

Table IV-6
Large diameter seamless SLP pipe: U.S. producers and U.S. importers' U.S. shipments by type, 2016

* * * * * * *

Geographical markets

Table IV-7 presents imports of small diameter seamless SLP pipe from Japan and Romania by border of entry (U.S. Customs districts) for 2016. The vast majority of all small diameter seamless SLP pipe entered the United States through the South.

Table IV-7
Small diameter seamless SLP pipe: U.S. imports by border of entry, 2016

* * * * * * *

Table IV-8 presents imports of large diameter seamless SLP pipe from Japan and all other sources by border of entry (U.S. Customs districts) for 2016. The vast majority of all large diameter seamless SLP pipe entered the United States through the South.

Table IV-8
Large diameter seamless SLP pipe: U.S. imports, by border of entry, 2016

* * * * * * *

Presence in the market

Small diameter seamless SLP pipe from Japan and Romania were present in the market intermittently between January 2014 and May 2017. Tables IV-9 presents monthly imports of small diameter seamless SLP pipe into the United States by sources.

Table IV-9
Small diameter seamless SLP pipe: U.S. monthly imports by source, January 2014 to May 2017

* * * * * * *

Large diameter seamless SLP pipe from Japan was sporadically present in the market between January 2014 and May 2017. Tables IV-10 presents monthly imports of large diameter seamless SLP pipe into the United States by sources. Subject imports of large diameter seamless SLP pipe from Japan were present no more than three times in any year, from January 2014 to May 2017.

Table IV-10
Large diameter seamless SLP pipe: U.S. monthly imports by source, January 2014 to May 2017

* * * * * * *

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO MARCH 31, 2017

The Commission requested importers to indicate whether they had imported or arranged for the importation of seamless SLP pipe from Japan or Romania for delivery after March 31, 2017. Table IV-11 (small diameter) and table IV-12 (large diameter) present U.S.

importers' responses regarding arranged imports. From April 2017 to March 2018, for both small and large diameter, less than one percent of all imports entering into the United States are expected to originate from either of the subject countries.

Table IV-11
Small diameter seamless SLP pipe: U.S. importers' arranged imports, April 2017 to March 2018

* * * * * * *

Table IV-12
Large diameter seamless SLP pipe: U.S. importers' arranged imports, April 2017 to March 2018

* * * * * * *

U.S. IMPORTERS' INVENTORIES

Table IV-13 presents data for inventories of U.S. imports of small diameter seamless SLP pipe from Japan, Romania, and all other sources held in the United States. From 2014 through 2016, inventories and ratios from the subject countries decreased to zero, while the ratios to U.S. imports, U.S. shipments of imports, and total shipments of imports from all other sources all increased by approximately *** percentage points for all imports, even though the volume of inventories decreased by *** percent.

Table IV-14 presents data for inventories of U.S. imports of large diameter seamless SLP pipe from Japan and all other sources held in the United States. From 2014 through 2016, inventories and ratios from Japan remained at zero, while the ratios to U.S. imports, U.S. shipments of imports, and total shipments of imports from all other sources all slightly fluctuated. The inventories of imports from all other sources and all sources both decreased by *** percent, respectively.

Table IV-13
Small diameter seamless SLP pipe: U.S. importers' end-of-period inventories of imports, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Table IV-14
Large diameter seamless SLP pipe: U.S. importers' end-of-period inventories of imports, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

SUBJECT COUNTRY PRODUCERS

The Commission issued questionnaires to seven firms identified as possible seamless SLP pipe producers (both small and large diameter) from the most recent review and information provided by both the domestic interested parties and the respondent interested parties. Three foreign producers (Romanian) completed and returned the Commission's foreign producer questionnaire for their production operations in Romania.[7] [8] Collectively, the Romanian producers (ArcelorMittal Tubular Products Roman ("ArcelorMittal Romania"), Silcotub, and TMK Artom) exported to the United States throughout the review period and accounted for the vast majority of all reported production of small diameter seamless SLP pipe in Romania. However, ArcelorMittal Romania did not produce and did not export to the United States in 2016, while *** exported limited values to the United States. Based on the foreign producer questionnaires, the responding Romanian producers exported *** short tons of small diameter seamless SLP pipe to the United States in 2016.

THE INDUSTRY IN ROMANIA

Overview

Table IV-15 presents summary data on small diameter seamless SLP pipe producers in Romania during 2016. Of the three Romanian producers that responded to Commission questionnaires, *** was the largest producer of small diameter seamless SLP pipe in 2016, while *** exports to the United States were the largest in 2016.[9] At the Commission's hearing, the respondent interested parties indicated that the economy in Romania is growing at approximately 4-5 percent annually, and that the Romanian small diameter seamless SLP pipe producers are focused on the Romanian and European Union markets. The respondent interested parties indicated that this focus on local markets was due to the combination of "new demand for our high-valued products for new gas drilling zones in the Black Sea and the Romanian oil basin," and the most recent estimation that Romania's oil reserves are valued at

[7] Commission did not receive complete questionnaire responses from Japanese producers/exporters for either small and/or large diameter seamless SLP pipe. Commission did not request data for large diameter seamless SLP pipe production in Romania.

[8] ***, a possible Japanese producer of both small and large diameter seamless SLP pipe partially completed a foreign producer questionnaire, but did not include production or trade data in its response. *** indicated that it was a trading company, and that it did not produce seamless SLP pipe. ***, a possible Japanese producer of both small and large diameter seamless SLP pipe reported via email that it would not participate in these reviews. Email from ***, June 8, 2017.

[9] In response the Commission's question regarding the significance of the antidumping duty orders, *** stated, "The volume of export to USA of seamless SLP pipe decreased given significant changes in corporate ownership, operations and export strategies, and reduced capacity of the Romanian CASSLP pipe industry that have occurred since the original investigations." *** foreign producer questionnaire, section II-12.

over $200 million.[10] In their posthearing brief, the respondent interested parties indicated that sales to the European Union market by Romanian producers of small diameter seamless SLP pipe benefit from better delivery times and faster payment, protection of imports from China, Russia, and Ukraine, the growth of the Romanian market for oil and gas, and prices that are similar to the U.S. market.[11]

As noted above, imports of several Chinese steel products, including small diameter seamless SLP pipe, are subject to an antidumping duty order in the European Union.[12] However, the European Commission is reviewing the antidumping duty orders originally issued on imports from China in 2009 and initially reviewed in 2015.[13] [14]

Table IV-15
Small diameter seamless SLP pipe: Summary data on producers in Romania, 2016

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
TMK-Artom	***	***	***	***	***	***
Silcotub	***	***	***	***	***	***
ArcelorMittal Romania	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Operations on seamless SLP pipe

Table IV-16 presents data on the industry in Romania. From 2014 through 2016, the overall capacity for small diameter seamless SLP pipe decreased by *** percent, while production decreased by *** percent, and export shipments to the United States fluctuated, but remained less than *** percent of total shipments. During 2014-16, total shipments based on quantity decreased by *** percent. The Romanian producers' exportation was

[10] Hearing transcript, p. 78 (Popescu).

[11] Respondent interested parties' posthearing brief, pp. 27-28.

[12] *Reuters*, "EU imposes dumping duties on Chinese steel pipes and tubes," May 12, 2017, http://www.reuters.com/article/us-china-steel-europe-duties-idUSKBN188110, retrieved August 25, 2017.

[13] Domestic interested parties' posthearing brief, pp. 2-5.

[14] European Commission, *Procedures Relating to the Implementation of the Common Commercial Policy*, No. C 331/4 at 1, September 9, 2016, http://trade.ec.europa.eu/doclib/docs/2016/september/tradoc_154940.notice.en.C331-2016.pdf , retrieved September 5, 2017. Domestic interested parties' posthearing brief, ("EC Reopening Notice") Exhibit 8.

predominantly focused on the European Union, but decreased in quantity by *** percent from 2014 to 2016. Export shipments from Romania to the European Union, however, were higher to January to March 2017 than in January to March 2016.[15] The capacity utilization rate for Romanian small diameter seamless SLP pipe increased by *** percentage points from 2014 to 2016, and was *** percentage points higher in January to March 2017 than in January to March 2016. The Romanian producers' share of export shipments of small diameter seamless SLP pipe to the United States remained consistent (less than one percentage point) from 2014 to 2016, while their share of export shipments to the European Union increased by *** percentage points over the same period.

Table IV-16
Small diameter seamless SLP pipe: Data on industry in Romania, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

In October 2015, ArcelorMittal Romania reported a shutdown of small diameter SLP pipe production.[16] The decrease in capacity from 2015 to 2016 was largely due to this shutdown of small diameter seamless SLP pipe production by ArcelorMittal Romania that accounted for *** of total capacity for reported Romanian small diameter seamless SLP pipe production in 2014 and 2015. *** from ArcelorMittal Romania, indicated that the status of the plant has been permanently shut down, ***.[17] [18]

In its posthearing brief, the domestic interested parties contend that *** is poised add additional capacity through additional shifts. The domestic interested parties argue that ***. The domestic interested parties state that an additional shift would ***.[19] *** indicated its ***.[20]

[15] In response to the Commission's question about the significance of the antidumping duty orders, "***." ***, foreign producer questionnaire response, section II-12.

[16] ArcelorMittal Romania, foreign producer questionnaire, section II-4.

[17] Email from ***, August 18, 2017.

[18] Email from ***, August 20, 2017.

[19] Domestic interested parties' posthearing brief, pp. 8-9.

[20] ***." ***, email message to USITC staff, September 5, 2017.

Table IV-17 presents data on the overall capacity and production on the same equipment as in-scope production for firms in Romania for small diameter seamless SLP pipe production during 2014-16, January to March 2016, and January to March 2017.[21] The overall capacity for all production on the same equipment decreased by *** percent, while total production increased slightly by *** percent from 2014 to 2016. The capacity utilization rate increased by *** percentage points, while the share of production of small diameter seamless SLP pipe decreased by *** percentage points. The production of other products on the same equipment accounted for *** percent of the total production in 2016.[22]

Table IV-17
Small diameter seamless SLP pipe: Overall capacity and production on the same equipment for firms in Romania, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

Exports for seamless pipe excluding OCTG

Table IV-18 presents the leading export markets for seamless pipe (excluding OCTG) from Romania.[23] During 2016, the United States was the third largest export market based on quantity for seamless pipe excluding OCTG from Romania, accounting for 6.1 percent.

[21] "*** dedicates around *** percent on average of its total capacity for SLP production." *** foreign producer questionnaire respsonse, section II-4a.

[22] The "other products" produced on the same equipment include ***. *** foreign producer questionnaire, section II-5a.

[23] These data include a variety of seamless pipe, regardless of size.

Table IV-18
Seamless pipe excluding OCTG: Exports from Romania by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Exports from Romania to the United States	65,996	23,466	17,895
Exports from Romania to other major destination markets.--			
Italy	99,932	111,456	100,894
Germany	40,192	42,012	37,768
Netherlands	17,955	13,844	13,728
Turkey	10,638	9,393	9,239
United Arab Emirates	15,683	17,401	8,753
Greece	7,474	5,264	7,037
Poland	7,190	6,041	6,874
Portugal	2,847	6,835	6,524
All other destination markets	93,954	100,688	84,412
Total exports from Romania	361,862	336,400	293,124
	Value (1,000 dollars)		
Exports from Romania to the United States	99,404	36,562	17,972
Exports from Romania to other major destination markets.--			
Italy	108,328	91,332	69,640
Germany	51,011	40,127	31,700
Netherlands	21,298	12,515	10,418
Turkey	10,433	7,624	6,885
United Arab Emirates	19,473	17,813	7,206
Greece	7,972	4,242	4,863
Poland	8,302	5,128	5,368
Portugal	5,073	10,535	9,251
All other destination markets	121,938	108,574	84,969
Total exports from Romania	453,231	334,452	248,272

Table continued on next page.

Table IV-18 -- Continued
Seamless pipe excluding OCTG: Exports from Romania by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Exports from Romania to the United States	1,506	1,558	1,004
Exports from Romania to other major destination markets.--			
Italy	1,084	819	690
Germany	1,269	955	839
Netherlands	1,186	904	759
Turkey	981	812	745
United Arab Emirates	1,242	1,024	823
Greece	1,067	806	691
Poland	1,155	849	781
Portugal	1,782	1,541	1,418
All other destination markets	1,298	1,078	1,007
Total exports from Romania	1,252	994	847
	Share of quantity (percent)		
Exports from Romania to the United States	18.2	7.0	6.1
Exports from Romania to other major destination markets.--			
Italy	27.6	33.1	34.4
Germany	11.1	12.5	12.9
Netherlands	5.0	4.1	4.7
Turkey	2.9	2.8	3.2
United Arab Emirates	4.3	5.2	3.0
Greece	2.1	1.6	2.4
Poland	2.0	1.8	2.3
Portugal	0.8	2.0	2.2
All other destination markets	26.0	29.9	28.8
Total exports from Romania	100.0	100.0	100.0

Source: Official Romanian exports statistics under HS subheadings 7304.19, 7304.39, 7304.59 as reported by Eurostat in the IHS/GTA database, accessed August 30, 2017.

Exports of seamless line pipe

Table IV-19 presents data on exports of seamless line pipe from Romania from 2014 and through 2016. During 2016, the United States was the fourth largest export market based on quantity for seamless line pipe from Romania, accounting for 10.5 percent.[24]

[24] Although limited to seamless line pipe, these data include all such pipe regardless of size.

Table IV-19
Seamless line pipe: Exports from Romania by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Exports from Romania to the United States	24,738	5,341	6,386
Exports from Romania to other major destination markets.--			
Italy	23,600	16,812	15,591
Netherlands	8,255	6,293	7,773
United Arab Emirates	14,945	16,736	6,585
Greece	5,867	3,327	5,495
Saudi Arabia	1,704	1,641	2,552
China	0	0	2,495
United Kingdom	2,763	1,163	1,852
Turkey	4,729	933	1,778
All other destination markets	22,102	17,946	10,569
Total exports from Romania	108,704	70,192	61,076
	Value (1,000 dollars)		
Exports from Romania to the United States	30,422	6,073	4,582
Exports from Romania to other major destination markets.--			
Italy	25,418	13,430	11,025
Netherlands	10,353	5,618	6,004
United Arab Emirates	18,126	17,011	5,232
Greece	6,270	2,664	3,733
Saudi Arabia	1,701	1,721	2,404
China	0	0	2,318
United Kingdom	3,223	1,130	1,548
Turkey	5,153	694	1,272
All other destination markets	28,587	18,201	9,132
Total exports from Romania	129,252	66,541	47,251

Table continued on next page.

Table IV-19 -- Continued
Seamless line pipe: Exports from Romania by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Exports from Romania to the United States	1,230	1,137	718
Exports from Romania to other major destination markets.--			
Italy	1,077	799	707
Netherlands	1,254	893	772
United Arab Emirates	1,213	1,016	795
Greece	1,069	801	679
Saudi Arabia	998	1,048	942
China	0	0	929
United Kingdom	1,166	972	836
Turkey	1,090	744	715
All other destination markets	1,293	1,014	864
Total exports from Romania	1,189	948	774
	Share of quantity (percent)		
Exports from Romania to the United States	22.8	7.6	10.5
Exports from Romania to other major destination markets.--			
Italy	21.7	24.0	25.5
Netherlands	7.6	9.0	12.7
United Arab Emirates	13.7	23.8	10.8
Greece	5.4	4.7	9.0
Saudi Arabia	1.6	2.3	4.2
China	0.0	0.0	4.1
United Kingdom	2.5	1.7	3.0
Turkey	4.4	1.3	2.9
All other destination markets	20.3	25.6	17.3
Total exports from Romania	100.0	100.0	100.0

Source: Official Romanian exports statistics under HS subheadings 7304.19, as reported by Eurostat in the IHS/GTA database, accessed August 30, 2017.

THE INDUSTRY IN JAPAN

Overview

The Commission did not receive questionnaire responses from producers/exporters of small or large diameter seamless SLP pipe from Japan. According to information from the World Steel Association, Japanese production of seamless tubes has declined over the 2011 to 2015 period. Japanese production was estimated to be 2,500 thousand short tons in 2011. Japanese production declined to 1,900 thousand short tons in 2015. Japanese production declined slightly between 2011 and 2014; however, the decline accelerated between 2014 and 2015. It

should be noted that the production dip in 2015 may be a statistical abnormality caused by consumption tax changes implemented by the Japanese government that year.[25]

Exports of seamless pipe excluding OCTG

Table IV-20 presents the leading export markets for seamless pipe (excluding OCTG) from Japan.[26] During 2016, the United States was the fourth largest export market for seamless pipe excluding OCTG, from Japan, accounting for 6.2 percent of such exports.

Table IV-20
Seamless pipe excluding OCTG: Exports from Japan by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Exports from Japan to the United States	36,822	45,405	19,019
Exports from Japan to other major destination markets.--			
South Korea	168,086	122,252	83,404
India	13,069	9,185	28,193
Indonesia	13,310	24,296	26,143
China	27,623	21,956	18,900
Thailand	39,667	24,979	17,240
Taiwan	28,260	22,225	17,219
United Arab Emirates	49,507	30,839	17,196
Singapore	54,311	27,324	14,652
All other destination markets	83,154	47,907	63,720
Total exports from Japan	513,809	376,368	305,686
	Value (1,000 dollars)		
Exports from Japan to the United States	67,962	83,137	30,360
Exports from Japan to other major destination markets.--			
South Korea	308,815	226,883	121,538
India	31,666	19,511	31,545
Indonesia	23,221	36,752	29,667
China	78,269	53,582	43,025
Thailand	54,536	36,876	23,666
Taiwan	32,880	26,974	16,868
United Arab Emirates	76,543	41,690	18,435
Singapore	77,300	39,286	15,326
All other destination markets	132,444	81,398	85,615
Total exports from Japan	883,635	646,089	416,044

Table continued on next page.

[25] World Steel Association, Steel Statistical Yearbook, Annual Report, 2016.
[26] These data include a variety of seamless pipe, regardless of size.

Table IV-20 -- Continued
Small diameter seamless pipe excluding OCTG: Exports from Japan by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Exports from Japan to the United States	1,846	1,831	1,596
Exports from Japan to other major destination markets.--			
South Korea	1,837	1,856	1,457
India	2,423	2,124	1,119
Indonesia	1,745	1,513	1,135
China	2,833	2,440	2,276
Thailand	1,375	1,476	1,373
Taiwan	1,163	1,214	980
United Arab Emirates	1,546	1,352	1,072
Singapore	1,423	1,438	1,046
All other destination markets	1,593	1,699	1,344
Total exports from Japan	1,720	1,717	1,361
	Share of quantity (percent)		
Exports from Japan to the United States	7.2	12.1	6.2
Exports from Japan to other major destination markets.--			
South Korea	32.7	32.5	27.3
India	2.5	2.4	9.2
Indonesia	2.6	6.5	8.6
China	5.4	5.8	6.2
Thailand	7.7	6.6	5.6
Taiwan	5.5	5.9	5.6
United Arab Emirates	9.6	8.2	5.6
Singapore	10.6	7.3	4.8
All other destination markets	16.2	12.7	20.8
Total exports from Japan	100.0	100.0	100.0

Source: Official Japanese exports statistics under HS subheadings 7304.19, 7304.39, 7304.59 as reported by Japan Ministry of Finance in the IHS/GTA database, accessed August 30, 2017.

Exports of seamless line pipe

Table IV-21 presents the leading export markets for seamless line pipe from Japan.[27] From 2014 through 2016, the quantity of exports of seamless line pipe to the United States increased by 2.3 percent, while the value of seamless line pipe exports decreased by 14.9 percent. During 2014-16, the share of quantity of exports of seamless line pipe to the United States increased by 2.8 percentage points, while the unit value of exports from Japan to the United States decreased by 16.7 percent.

[27] Although limited to seamless line pipe, these data include all such pipe regardless of size.

Table IV-21
Seamless line pipe: Exports from Japan by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Exports from Japan to the United States	13,147	35,752	13,445
Exports from Japan to other major destination markets.--			
India	5,962	1,754	24,015
Indonesia	7,135	18,856	21,782
Korea South	42,631	23,585	17,062
United Arab Emirates	48,747	29,761	16,386
Singapore	45,830	24,311	13,887
Saudi Arabia	11,733	0	12,127
Algeria	0	0	8,934
Thailand	9,316	6,445	6,885
All other destination markets	52,815	31,191	26,551
Total exports from Japan	237,315	171,654	161,074
	Value (1,000 dollars)		
Exports from Japan to the United States	20,988	60,500	17,870
Exports from Japan to other major destination markets.--			
India	8,236	2,315	22,719
Indonesia	10,421	27,134	22,920
Korea South	59,436	31,069	16,016
United Arab Emirates	74,461	38,978	17,195
Singapore	61,708	32,205	13,835
Saudi Arabia	18,352	0	17,307
Algeria	0	0	14,960
Thailand	13,163	7,652	6,736
All other destination markets	72,672	46,064	28,589
Total exports from Japan	339,436	245,915	178,147

Table continued on next page.

Table IV-21 -- Continued
Seamless line pipe: Exports from Japan by destination market, 2014-16

Item	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Exports from Japan to the United States	1,596	1,692	1,329
Exports from Japan to other major destination markets.--			
India	1,381	1,320	946
Indonesia	1,461	1,439	1,052
Korea South	1,394	1,317	939
United Arab Emirates	1,527	1,310	1,049
Singapore	1,346	1,325	996
Saudi Arabia	1,564	0	1,427
Algeria	0	0	1,675
Thailand	1,413	1,187	978
All other destination markets	1,376	1,477	1,077
Total exports from Japan	1,430	1,433	1,106
	Share of quantity (percent)		
Exports from Japan to the United States	5.5	20.8	8.3
Exports from Japan to other major destination markets.--			
India	2.5	1.0	14.9
Indonesia	3.0	11.0	13.5
Korea South	18.0	13.7	10.6
United Arab Emirates	20.5	17.3	10.2
Singapore	19.3	14.2	8.6
Saudi Arabia	4.9	0.0	7.5
Algeria	0.0	0.0	5.5
Thailand	3.9	3.8	4.3
All other destination markets	22.3	18.2	16.5
Total exports from Japan	100.0	100.0	100.0

Source: Official Japanese exports statistics under HS subheadings 7304.19, as reported by Japan Ministry of Finance in the IHS/GTA database, accessed August 14, 2017.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

An antidumping duty order on imports of small-diameter seamless pipe from Romania has been in effect in Brazil since 2000.[28] An antidumping duty order on small-diameter seamless line pipe from Japan has been in effect in Venezuela since 2000.[29] Mexico continues to maintain antidumping duty orders on small-diameter seamless line pipe from Japan, effective 2000.[30]

GLOBAL MARKET

As presented in table IV-22, seamless pipe excluding OCTG decreased during 2014-16.[31] From 2014 through 2016, the quantity of total global exports of seamless pipe excluding OCTG decreased by 18.2 percent, while the value of total global exports decreased by 45.1 percent. China has been the largest source of exports of seamless pipe excluding OCTG, followed by nonsubject countries Germany and Italy, along with Japan. During 2014-16, exports from all countries decreased, while exports by value from Japan and Romania decreased during the same period.

As presented in table IV-23, global exports of seamless line pipe decreased from 2014 through 2016.[32] During 2014-16, the quantity of total global exports of seamless line pipe decreased by 23.2 percent, while the value of total global exports decreased by 48.7 percent. China has been the largest source of exports of seamless line pipe, while Italy and Japan are distant as the second and third largest exporters. Exports from all countries listed below decreased, while exports by quantity and value from Japan and Romania have declined since 2014.

[28] World Trade Organization Committee on Anti-Dumping Practices, *Semi-Annual Report Under Article 16.4 of the Agreement*: Brazil, Doc. No. G/ADP/N/286/BRA (Aug. 30, 2016).

[29] World Trade Organization Committee on Anti-Dumping Practices, *Semi-Annual Report Under Article 16.4 of the Agreement*: Bolivarian Republic of Venezuela, Doc. No. G/ADP/N/209/NEV (May 12, 2016).

[30] World Trade Organization Committee on Anti-Dumping Practices*, Semi-Annual Report Under Article 16.4 of the Agreement:* Mexico, Doc. No. G/ADP/N/286/MEXI (Sept. 7, 2016).

[31] These data include a variety of seamless pipe, regardless of size.

[32] Although limited to seamless line pipe, these data include all such pipe regardless of size.

Table IV-22
Seamless pipe excluding OCTG: Global exports by reporting countries, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
United States	237,402	105,177	98,950
Japan	513,809	376,368	305,686
Romania	361,862	336,400	293,124
All other major reporting exporters.--China	3,115,059	2,991,880	2,860,194
Germany	773,502	690,417	721,280
Italy	459,795	339,321	399,682
Singapore	80,406	65,024	270,501
Czech Republic	301,093	291,775	268,763
Ukraine	287,819	275,886	235,817
Russia	273,259	198,434	214,550
Slovakia	138,434	128,754	126,286
All other destination markets	2,311,782	1,865,449	1,451,800
Total Global exports	8,442,530	7,337,697	6,905,797
	Value (1,000 dollars)		
United States	903,134	380,310	287,057
Japan	883,635	646,089	416,044
Romania	453,231	334,452	248,272
All other major reporting exporters.--China	2,749,543	2,143,529	1,715,434
Germany	1,487,068	1,048,705	996,051
Italy	864,687	567,542	554,520
Singapore	218,913	162,607	62,723
Czech Republic	357,112	279,421	221,029
Ukraine	249,860	201,146	146,481
Russia	275,408	163,012	152,940
Slovakia	146,194	113,639	93,825
All other destination markets	27.4	25.4	21.0
Total Global exports	11,680,386	8,414,330	6,414,348

Table continued on next page.

Table IV-22 -- Continued
Seamless pipe excluding OCTG: Global exports by reporting countries, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
United States	3,804	3,616	2,901
Japan	1,720	1,717	1,361
Romania	1,252	994	847
All other major reporting exporters.-- China	883	716	600
Germany	1,923	1,519	1,381
Italy	1,881	1,673	1,387
Singapore	2,723	2,501	232
Czech Republic	1,186	958	822
Ukraine	868	729	621
Russia	1,008	821	713
Slovakia	1,056	883	743
All other destination markets	0	0	0
Total Global exports	1,384	1,147	929
	Share of quantity (percent)		
United States	2.8	1.4	1.4
Japan	6.1	5.1	4.4
Romania	4.3	4.6	4.2
All other major reporting exporters.-- China	36.9	40.8	41.4
Germany	9.2	9.4	10.4
Italy	5.4	4.6	5.8
Singapore	1.0	0.9	3.9
Czech Republic	3.6	4.0	3.9
Ukraine	3.4	3.8	3.4
Russia	3.2	2.7	3.1
Slovakia	1.6	1.8	1.8
All other destination markets	27.4	25.4	21.0
Total Global exports	100.0	100.0	100.0

Source: Official Global exports statistics under HS subheadings 7304.19, 7304.39, 7304.59, in the IHS/GTA database, accessed August 30, 2017.

Table IV-23
Seamless line pipe: Global exports by reporting countries, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
United States	114,640	35,012	33,392
Japan	237,315	171,654	161,074
Romania	108,704	70,192	61,076
All other major reporting exporters.--China	2,493,153	2,464,198	2,282,605
Italy	281,259	173,411	238,209
Germany	115,113	78,958	87,478
Ukraine	81,389	90,368	69,952
Mexico	93,705	58,517	66,396
Czech Republic	94,740	59,000	60,642
India	72,075	32,873	47,366
Russia	54,597	59,720	43,728
All other destination markets	842,813	734,002	375,323
Total Global exports	4,589,501	4,027,904	3,527,243
	Value (1,000 dollars)		
United States	424,978	104,605	72,552
Japan	339,436	245,915	178,147
Romania	129,252	66,541	47,251
All other major reporting exporters.--China	1,971,740	1,611,347	1,254,828
Italy	554,142	324,129	340,259
Germany	255,091	129,282	142,016
Ukraine	73,782	71,713	41,757
Mexico	116,781	83,172	83,105
Czech Republic	107,808	59,084	46,809
India	118,335	55,171	44,021
Russia	52,945	53,305	27,082
All other destination markets	1,390,441	1,137,144	560,051
Total Global exports	5,534,734	3,941,409	2,837,877

Table continued on next page.

Table IV-23 -- Continued
Seamless line pipe: Global exports by reporting countries, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
United States	3,707	2,988	2,173
Japan	1,430	1,433	1,106
Romania	1,189	948	774
All other major reporting exporters.--China	791	654	550
Italy	1,970	1,869	1,428
Germany	2,216	1,637	1,623
Ukraine	907	794	597
Mexico	1,246	1,421	1,252
Czech Republic	1,138	1,001	772
India	1,642	1,678	929
Russia	970	893	619
All other destination markets	1,650	1,549	1,492
Total Global exports	1,206	979	805
	Share of quantity (percent)		
United States	2.5	0.9	0.9
Japan	5.2	4.3	4.6
Romania	2.4	1.7	1.7
All other major reporting exporters.--China	54.3	61.2	64.7
Italy	6.1	4.3	6.8
Germany	2.5	2.0	2.5
Ukraine	1.8	2.2	2.0
Mexico	2.0	1.5	1.9
Czech Republic	2.1	1.5	1.7
India	1.6	0.8	1.3
Russia	1.2	1.5	1.2
All other destination markets	18.4	18.2	10.6
Total Global exports	100.0	100.0	100.0

Source: Official Global exports statistics under HS subheadings 7304.19 in the IHS/GTA database, accessed August 30, 2017.

PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

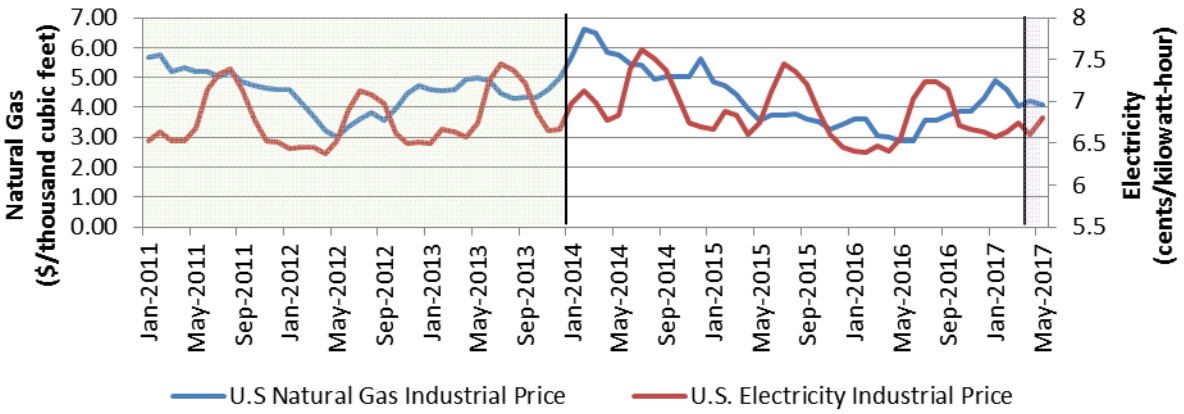
The primary raw material used to manufacture seamless SLP pipe is solid steel billets. Raw materials accounted for more than half of the cost of goods sold ("COGS") for U.S. producers of seamless SLP pipe during 2014-16. Overall, the price of ferrous scrap fluctuated between January 2011 and June 2017 (figure V-1). As seen in figure V-1, the price of ferrous scrap remained relatively steady between January 2011 and December 2013, decreased by *** percent from January 2014 to December 2015, and then increased by *** percent from December 2015 to June 2017. A majority of U.S. producers and U.S. importers reported that raw material prices had fluctuated since January 2011, and the majority of both U.S. producers and importers anticipate prices to continue to fluctuate.

Figure V-1
Ferrous scrap prices; No.1 heavy melt, Chicago average consumer prices, monthly, January 2011 to June 2017

* * * * * * *

Energy costs are also an input in the cost of producing small and large seamless SLP pipe. Figure V-2 presents costs of natural gas and electricity to industrial users from January 2011 to May 2017. The figure shows that electricity prices generally increase during the spring and summer, but have stayed relatively constant on an annual average since 2011. The cost of natural gas decreased substantially by 56.4 percent from February 2014 to June 2016, and then increased by 41.2 percent between June 2016 and May 2017.

Figure V-2
Energy prices; U.S. natural gas and electricity, monthly, January 2011 to May 2017



Note-- Pricing data was collected for the period between January 2014 and March 2017.

Source: U.S. Energy Information Administration, https://www.eia.gov/dnav/ng/hist/n3035us3m.htm, https://www.eia.gov/electricity/data.php.

U.S. inland transportation costs

Seven of 10 responding U.S. producers and four of five importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs for both small and large diameter seamless SLP pipe ranged from 5 to 7 percent while two of three responding importers reported costs for small diameter pipe of 1 to 7 percent.[1]

PRICING PRACTICES

Pricing methods

The majority of U.S. producers and importers reported using transaction-by-transaction negotiations, with a few U.S. producers and importers using contracts and price lists. As presented in table V-1, U.S. producers and importers sell primarily using transaction-by-transaction negotiations.

[1] One importer reported *** share of costs of small diameter seamless SLP pipe, and no importers reported costs for large diameter seamless SLP pipe.

Table V-1
Seamless SLP pipe: U.S. producers and importers reported price setting methods, by number of responding firms, 2016

Method	U.S. producers	Importers
Transaction-by-transaction	9	13
Contract	2	2
Set price list	2	1
Other	0	2
Responding firms[1]	10	14

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

Note-- One small diameter pipe U.S. producer (***) and one U.S. producer of both small and large diameter pipe (***) reported using contracts. Two U.S. producers of small diameter pipe reported using set price lists.

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

U.S. producers reported selling the majority of small and large diameter seamless SLP pipe in the spot market, and importers reported selling *** small diameter seamless SLP pipe in the spot market (table V-2).

Table V-2
Seamless SLP pipe: U.S. producers' and U.S. importers' reported use of contracts and spot sales, 2016

* * * * * * *

Two purchasers reported that they purchase seamless SLP pipe weekly, four purchase monthly, and four purchase quarterly.[2] Ten of 11 responding purchasers reported that they did not expect their purchasing patterns to change in the next two years. Purchasers contact one to five suppliers before making a purchase.

Sales terms and discounts

Most U.S. producers quote prices on an f.o.b. basis, while most importers typically quote prices on a delivered basis. Most responding U.S. producers (six of 10) reported offering quantity or volume discounts, and while most responding importers (eight of 14) do not offer discounts. A majority of U.S producers reported sales terms of net 30 days,[3] and six of seven responding importers reported sales terms of net 30 days.

[2] No purchaser reported daily or annual purchases.
[3] Two U.S. producers reported 1/10 net 30 days and one reported 2/20 net 30 days.

Price leadership

The majority of responding purchasers stated that U.S. producers U.S. Steel and Vallourec Star were price leaders for both small and large diameter seamless SLP pipe.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following seamless SLP pipe products shipped to unrelated U.S. customers during January 2014 to March 2017.

Product 1.-- Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications; 1" nominal size (1.315" OD x 0.179" wall thickness); plain ends; schedule 80.

Product 2.-- Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications; 3" nominal size (3.5" OD x 0.3" wall thickness; plain ends; schedule 80.

Product 3.-- Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications; 4" nominal size (4.5" OD x 0.337" wall thickness); plain ends; schedule 80.

Product 4.-- Seamless pipe stenciled to meet ASTM A/ASME SA 335 Grade P11; 3 ½" nominal size (4.000" OD x 0.318" wall thickness); plain ends; schedule 80.

Product 5.-- Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, and API 5L Grade B specifications; 6.625" OD x 0.432" wall thickness; plain ends.

Product 6.-- Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, API 5L and APL 5L grade X-42 specifications; 8" nominal size (8 5/8 inch OD x 0.322 wall thickness); plain ends.

Product 7.-- Seamless pipe multiple-stenciled to meet ASTM A-106 Grade B, ASTM A-53 Grade B, API 5L and APL 5L grade X-42 specifications; 12" nominal size (12 3/4 inch OD x 0.375 wall thickness); plain ends.

Product 8.-- Seamless pipe stenciled to meet the API 5L Grade X-52 specification; 12" OD x 0.500" wall thickness; plain ends.

Products 1-4 are small diameter pipe and products 5-8 are large diameter pipe. Seven U.S. producers and two importer provided usable pricing data for sales of the requested products,[4] although not all firms reported pricing for all products for all quarters.[5] Pricing data reported by these firms accounted for approximately 11.9 percent of U.S. producers' shipments of small diameter seamless SLP pipe and 23.1 percent of U.S. producers' shipments of large diameter seamless SLP pipe, and 100.0 percent of U.S. shipments of subject imports from Romania of small diameter seamless SLP pipe in 2016.

The Commission requested pricing data for products 5-8 for only domestic and Japanese product. The Commission received no pricing data for imports from Japan.[6] Price data for products 1-8 are presented in tables V-3 to V-6 and figures V-3 to V-6.

Table V-3
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by quarter, January 2014 through March 2017

* * * * * * *

Table V-4
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by quarter, January 2014 through March 2017

* * * * * * *

Table V-5
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, and margins of underselling/(overselling), by quarter, January 2014 through March 2017

* * * * * * *

Table V-6
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic product 5-8, by quarter, January 2014 through March 2017

* * * * * * *

[4] The principle responding importer was ***; because *** imported subject merchandise from Romania but not Japan, the firm correctly provided price data for products 1-4 but not 5-8.

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

[6] No pricing data for domestic product were reported for product 4 and only one quarter for Romania which was *** short tons for *** per short ton in July-September 2016.

Figure V-3
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarter, January 2014 through March 2017

* * * * * * *

Figure V-4
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarter, January 2014 through March 2017

* * * * * * *

Figure V-5
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarter, January 2014 through March 2017

* * * * * * *

Figure V-6
Seamless SLP pipe: Weighted-average f.o.b. prices and quantities of domestic product 5-8, by quarter, January 2014 through March 2017

* * * * * * *

Price trends

In general, prices decreased during January 2014 through March 2017. Table V-7 summarizes the price trends, by country and by product. As shown in table V-7, domestic price decreases ranged from *** to *** percent during January 2014 through March 2017. Too few observations were available for products 1, 2, and 4 from Romania to establish a trend, and prices declined by *** percent for product 3 from Romania. No pricing data were reported for imports from Japan.

Table V-7
Seamless SLP pipe: Summary of weighted-average f.o.b. prices for products 1-8 from the United States and Countries, January 2014 through March 2017

* * * * * * *

Price comparisons

As shown in table V-8, prices for small diameter seamless SLP pipe imported from Romania were below those for U.S.-produced product in 11 of 19 instances; margins of underselling ranged from *** to *** percent. In the remaining eight instances, prices for small diameter seamless SLP pipe from Romania were between *** and *** percent above prices for the domestic product. No price comparisons were available for Japan.

Table V-8
Small diameter seamless SLP pipe: Instances of underselling/overselling and the range and average of margins, by country, January 2014 through March 2017

Source	Underselling				
	Number of quarters	Quantity[1] (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Romania	11	***	32.1	***	***
Source	**(Overselling)**				
	Number of quarters	**Quantity[1] (short tons)**	**Average margin (percent)**	**Margin range (percent)**	
				Min	**Max**
Romania	8	***	(14.4)	***	***

[1] In the original investigations, subject imports from Japan were priced lower than domestic product in *** of *** comparisons, with underselling margins ranging from *** to *** percent; subject imports from Romania were priced lower than domestic product in *** of *** comparisons, with underselling margins ranging from *** to *** percent. *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa, Inv. Nos. 731-TA-846-850 (Final)*, USITC Memorandum INV-X-114, May 2000, p. V-11 – V-25. In the first reviews, subject imports from Romania were priced lower than domestic product in *** of *** comparisons, with underselling margins ranging from *** to *** percent. *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa, Inv. Nos. 731-TA-846-850 (Review)*, USITC Memorandum INV-DD-036, March 2006, p. V-14.

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

Purchasers' perceptions of relative price trends

Purchasers were asked how the prices of seamless SLP pipe from the United States had changed relative to the prices of product from Japan and Romania since 2011. Seven of the eight responding purchasers reported that prices changed by the same amount for each country.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
81 FR 60383 September 1, 2016	*Commission's Institution of five-year review*	https://www.federalregister.gov/d/2016-20659
81 FR 60343 September 1, 2016	*Commerce's Initiation of five-year review*	https://www.federalregister.gov/d/2016-21209
81 FR 91199 December 16, 2016	*Commission's determination to conduct full five-year review reviews*	https://www.federalregister.gov/d/2016-30226
81 FR 93568 December 21, 2016	*Commerce's final results of the full sunset reviews of the antidumping duty orders*	https://www.federalregister.gov/d/2016-30732
82 FR 16621 April 5, 2017	*Commission's scheduling of full five-year review*	https://www.federalregister.gov/d/2017-06713

APPENDIX B

HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject:	Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania
Inv. Nos.:	731-TA-847 and 849 (Third Review)
Date and Time:	August 8, 2017 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street (room 101), SW, Washington, DC.

OPENING REMARKS:

In Support of Continuation (**Kelsey M. Rule**, Quinn Emanuel Urquhart & Sullivan, LLP)
In Opposition to Continuation (**Daniel J. Cannistra**, Crowell & Moring LLP)

In Support of the Continuation of the Antidumping Duty Orders:

Quinn Emanuel Urquhart & Sullivan, LLP
Washington, DC
on behalf of

United States Steel Corporation ("U.S. Steel")

William M. Buono, Director of Marking Analysis and Strategy,
U.S. Steel Tubular Products
Daniel Flippo, District 9 Director, United Steelworkers

Kelsey M. Rule) – OF COUNSEL

In Support of the Continuation of the Antidumping Duty Orders (continued):

Schagrin Associates
Washington, DC
on behalf of

Vallourec Star, L.P.

Douglas Polk, Vice President of Industry Affairs, Vallourec USA

Roger B. Schagrin)
) – OF COUNSEL
John W. Bohn)

In Opposition of the Continuation of the Antidumping Duty Orders:

Crowell & Moring LLP
Washington, DC
on behalf of

TMK-Artrom S.A. ("Artrom")

Adrian Popescu, President and CEO, Artrom
Mike Christopher, CEO, TMK Industrial Solutions LLC

Daniel J. Cannistra)
) – OF COUNSEL
Benjamin Caryl)

White & Case LLP
Washington, DC
on behalf of

S.C. Silcotub S.A. ("Silcotub")
Tenaris Global Services (U.S.A.) Corporation ("TGS USA")

Gregory J. Spak)
) – OF COUNSEL
Frank J. Schweitzer)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation (**Roger B. Schagrin**, Schagrin Associates)
In Opposition to Continuation (**Gregory J. Spak**, White & Case LLP)

-END-

APPENDIX C

SUMMARY DATA

CONTENTS

Page

Table C-1
Seamless SLP pipe: Summary data concerning the small diameter seamless SLP pipe U.S. market, 2014-16, January to March 2016, and January to March 2017
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2014	2015	2016	2016	2017	2014-16	2014-15	2015-16	2016-17
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
Japan	***	***	***	***	***	***	***	***	***
Romania	***	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
Japan	***	***	***	***	***	***	***	***	***
Romania	***	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***	***
U.S. imports from:									
Japan:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Romania:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	260,894	187,422	130,061	40,449	43,088	(50.1)	(28.2)	(30.6)	6.5
Production quantity	171,587	47,533	40,118	9,157	20,723	(76.6)	(72.3)	(15.6)	126.3
Capacity utilization (fn1)	65.8	25.4	30.8	22.6	48.1	(34.9)	(40.4)	5.5	25.5
U.S. shipments:									
Quantity	171,523	48,742	40,224	8,879	22,638	(76.5)	(71.6)	(17.5)	155.0
Value	313,695	100,780	71,397	18,216	34,396	(77.2)	(67.9)	(29.2)	88.8
Unit value	$1,829	$2,068	$1,775	$2,052	$1,519	(2.9)	13.1	(14.2)	(25.9)
Export shipments:									
Quantity	577	118	106	71	188	(81.6)	(79.5)	(10.2)	164.8
Value	1,269	425	549	434	170	(56.7)	(66.5)	29.2	(60.8)
Unit value	$2,199	$3,602	$5,179	$6,113	$904	135.5	63.8	43.8	(85.2)
Ending inventory quantity	10,689	9,362	9,150	9,569	7,047	(14.4)	(12.4)	(2.3)	(26.4)
Inventories/total shipments (fn1)	6.2	19.2	22.7	26.7	7.7	16.5	12.9	3.5	(19.0)
Production workers	256	185	197	135	189	(23.0)	(27.7)	6.5	40.0
Hours worked (1,000s)	574	367	335	78	124	(41.6)	(36.1)	(8.7)	59.0
Wages paid ($1,000)	21,341	11,537	11,671	2,706	4,486	(45.3)	(45.9)	1.2	65.8
Hourly wages (dollars)	$37.18	$31.44	$34.84	$34.69	$36.18	(6.3)	(15.4)	10.8	4.3
Productivity (short tons per 1,000 hour)	298.9	129.5	119.8	117.4	167.1	(59.9)	(56.7)	(7.5)	42.4
Unit labor costs	$124	$243	$291	$296	$216	133.9	95.1	19.9	(26.7)
Net sales:									
Quantity	172,100	48,860	40,330	8,950	22,411	(76.6)	(71.6)	(17.5)	150.4
Value	314,964	101,205	71,946	18,650	34,566	(77.2)	(67.9)	(28.9)	85.3
Unit value	$1,830	$2,071	$1,784	$2,084	$1,542	(2.5)	13.2	(13.9)	(26.0)
Cost of goods sold (COGS)	228,203	89,160	61,771	14,834	30,713	(72.9)	(60.9)	(30.7)	107.0
Gross profit or (loss)	86,761	12,045	10,175	3,816	3,853	(88.3)	(86.1)	(15.5)	1.0
SG&A expenses	41,232	12,230	5,828	1,870	2,129	(85.9)	(70.3)	(52.3)	13.9
Operating income or (loss)	45,529	(185)	4,347	1,946	1,724	(90.5)	fn2	fn2	(11.4)
Net income or (loss)	39,208	(13,376)	(4,113)	372	49	fn2	fn2	(69.3)	(86.8)
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	$1,326	$1,825	$1,532	$1,657	$1,370	15.5	37.6	(16.1)	(17.3)
Unit SG&A expenses	$240	$250	$145	$209	$95	(39.7)	4.5	(42.3)	(54.5)
Unit operating income or (loss)	$265	$(4)	$108	$217	$77	(59.3)	fn2	fn2	(64.6)
Unit net income or (loss)	$228	$(274)	$(102)	$42	$2	fn2	fn2	(62.7)	(94.7)
COGS/sales (fn1)	72.5	88.1	85.9	79.5	88.9	13.4	15.6	(2.2)	9.3
Operating income or (loss)/sales (fn1)	14.5	(0.2)	6.0	10.4	5.0	(8.4)	(14.6)	6.2	(5.4)
Net income or (loss)/sales (fn1)	12.4	(13.2)	(5.7)	2.0	0.1	(18.2)	(25.7)	7.5	(1.9)

Notes:

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled data submitted in response to Commission questionnaires and from *** records using HTS numbers 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.6000,

Table C-2
Seamless SLP pipe: Summary data concerning the large diameter seamless SLP pipe U.S. market, 2014-16, January to March 2016, and January to March 2017

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Table C-3
Seamless SLP pipe: Summary data concerning the large and small diameter seamless SLP pipe U.S. markets combined, 2014-16, January to March 2016, and January to March 2017

* * * * * * *

APPENDIX D

COMMENTS ON THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Table D-1
Seamless SLP pipe: U.S. producers' responses to the effect of the orders

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Table D-2
Seamless SLP pipe: U.S. producers' likely effect of the revocation of the orders

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Table D-3
Seamless SLP pipe: U.S. importers' responses to the effect of the orders

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Table D-4
Seamless SLP pipe: U.S. importers responses to the impact of the revocation of the orders

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Table D-5
Seamless SLP pipe: Foreign producers' responses to the effect of the orders

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Table D-6
Seamless SLP pipe: Purchasers' anticipated changes in industry

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