High Pressure Steel Cylinders from China

Investigation Nos. 701-TA-480 and 731-TA-1188 (Review)

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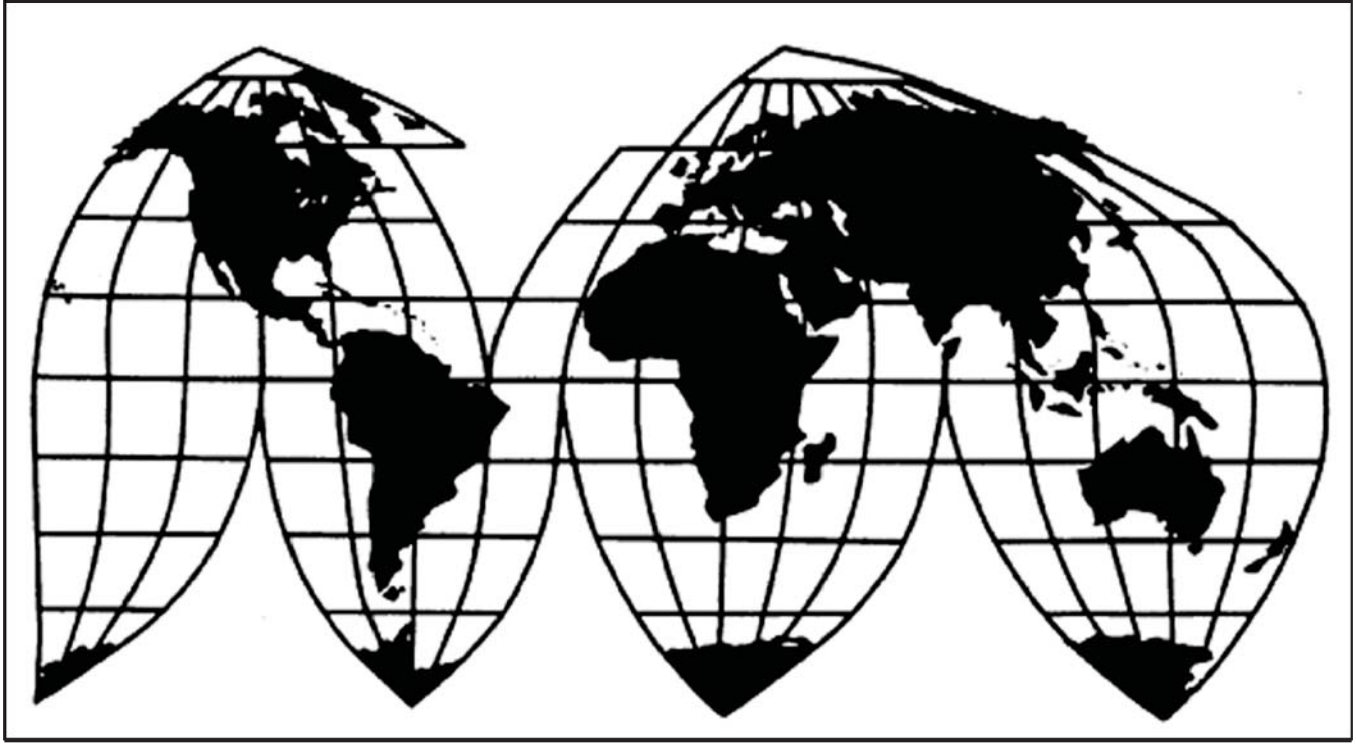
U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-480 and 731-TA-1188 (Review)

High Pressure Steel Cylinders from China

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the countervailing and antidumping duty orders on high pressure steel cylinders from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on May 1, 2017 (82 F.R. 20314) and determined on August 4, 2017 that it would conduct expedited reviews (82 F.R. 42836, September 12, 2017).

The Commission made these determinations pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)). It completed and filed its determinations in these reviews on October 31, 2017. The views of the Commission are contained in USITC Publication 4738 (October 2017), entitled *High Pressure Steel Cylinders from China: Investigation Nos.* 701-TA-480 and 731-TA-1188 (Review).

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

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping and countervailing duty orders on high pressure steel cylinders ("HPSC") from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations. Norris Cylinder Company ("Norris"), a U.S. producer of HPSC, filed antidumping and countervailing duty petitions on HPSC from China on May 11, 2011. In June 2012, the Commission determined that an industry in the United States was materially injured by reason of dumped and subsidized subject imports.[1] On June 21, 2012, the U.S. Department of Commerce ("Commerce") issued antidumping and countervailing duty orders on HPSC from China.[2]

Current Reviews. On May 1, 2017, the Commission instituted these five-year reviews of the antidumping duty and countervailing duty orders on HPSC from China.[3] The Commission received a response to the notice of institution from Norris.[4] It did not receive a response from any respondent interested party. On August 4, 2017, the Commission found the domestic interested party group response to be adequate and the respondent interested party group response to be inadequate, and did not find any other circumstances that would warrant conducting full reviews. The Commission therefore determined that it would conduct expedited reviews.[5] Norris filed comments pursuant to Commission Rule 207.62(d).[6]

Data/response coverage. U.S. industry data for these reviews are based on the information Norris provided in response to the notice of institution, and information from the original investigations. Norris estimates that it was responsible for *** percent of domestic production of HPSC during 2016.[7] No U.S. importer or foreign producer/exporter participated in these reviews. U.S. import data are based on official import statistics and information from

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[1] *High Pressured Steel Cylinders from the People's Republic of China*, Inv. Nos. 701-TA-480 and 731-TA-1188 (Final), USITC Pub. 4328 (June 2012) ("Original Determinations").

[2] 77 Fed. Reg. 37377 (June 21, 2012).

[3] 82 Fed. Reg. 20373 (May 1, 2017).

[4] Norris Response to Notice of Institution ("Response") (May 25, 2017).

[5] *Explanation of Commission Determinations on Adequacy* (Aug. 8, 2017) (EDIS Doc. 619356).

[6] Norris Final Comments (Sept. 25, 2017) ("Comments").

[7] See Response at 5; Confidential Report ("CR")/Public Report ("PR") at Table I-1 (July 24, 2017).

the original investigations.[8] Foreign industry data and related information are based on information from the prior proceedings and publicly available data.[9]

II. Domestic Like Product and Domestic 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."[10] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[11] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original determinations and consider whether the record indicates any reason to revisit the prior findings.[12]

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

> The merchandise covered by the order is seamless steel cylinders designed for storage or transport of compressed or liquefied gas ("high pressure steel cylinders"). High pressure steel cylinders are fabricated of chrome alloy steel including, but not limited to, chromium-molybdenum steel or chromium magnesium steel, and have permanently impressed in the steel, either before or after importation, the symbol of a U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("DOT") approved high pressure steel cylinder manufacturer, as well as an approved DOT type marking of DOT 3A, 3AX, 3AA, 3AAX, 3B, 3E, 3FT, 3T, or DOT-E (followed by a specific exemption number) in accordance with the requirements of sections 178.36 through 178.68 of Title 49 of the Code of Federal Regulations, or any

[8] CR/PR at Table I-4.

[9] *See* CR at I-23-25, PR at I-13-16.

[10] 19 U.S.C. § 1677(4)(A).

[11] 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).

[12] *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).

> subsequent amendments thereof. High pressure steel cylinders covered by the investigation have a water capacity of up to 450 liters, and a gas capacity ranging from 8 to 702 cubic feet, regardless of corresponding service pressure levels and regardless of physical dimensions, finish or coatings.
>
> Excluding *** from the scope of the order are high pressure steel cylinders manufactured to UN-ISO-9809-1 and 2 specifications and permanently impressed with ISO or UN symbols. Also excluded from the investigation are acetylene cylinders, with or without internal porous mass, and permanently impressed with 8A or 8AL in accordance with DOT regulations. [13]

Commerce's scope has remained the same since the original investigations.

HPSC are seamless, chromium-alloy steel containers, which are circular in cross section and characteristically tapered at the top to form a neck that is fitted with a screw-in steel or brass shut-off valve. A steel safety cap is twisted onto the threaded neck ring at the top of the cylinder to protect the valve from accidental breakage during transit and handling. The bottom surface is concave so that the cylinder is stable while standing upright. The interior wall may be coated or plated, particularly to protect the steel in cylinders that contain corrosive gases. HPSC are designed specifically for transporting, storing, and dispensing a wide variety of compressed gases in various end-use applications. "High pressure" refers to ranges from 1,800 to 6,000 pounds per square inch ("psi"). Cylinder sizes are also designated in terms of the equivalent water capacity, measured in liters. For any given cylinder size, wall thicknesses can vary by the manufacturer, being designed to meet minimum tensile strength requirements for the steel.[14]

To minimize the risk of leakage or even explosion of compressed gases in transporting filled HPSC and given the fact that some gases can be hazardous, corrosive, flammable, or otherwise highly reactive, the U.S. Department of Transportation's ("DOT") Pipeline and Hazardous Materials Safety Administration ("PHMSA") issues manufacturer certifications, manufacturing process standards, and product performance standards for HPSC sold into the U.S. market, regardless of whether the cylinders are of domestic or foreign origin. For traceability purposes, the PHMSA requires a series of identifying markings to be permanently impressed into the steel along the tapered portion of the cylinder below the base of the neck and on the neck ring.[15]

Generally, the market for HPSC is split between three groups of customers. First, the "majors" are compressed-gas distributors that purchase cylinders directly from vendors. Second, original equipment manufacturers ("OEMs") package HPSC into their products such as

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[13] 82 Fed. Reg. 41936 (Sept. 5, 2017) (CVD order); 82 Fed. Reg. 41607 (Sept. 1, 2017) (AD order).

[14] CR at I-7-8, PR at I-5-6.

[15] CR at I-8-9, PR at I-6.

fire suppression systems or breathing air systems. Third, there are "buying groups" or "buying consortiums" of smaller end users (such as companies involved in construction) that band together to enhance their buying power in negotiating annual price terms with vendors to procure the best possible prices for their members.[16]

Original Investigations. In the original investigations, the Commission found a single domestic like product that was coextensive with the scope of the investigations.[17] The respondent argued that certain articles Commerce explicitly excluded from its scope definition (HPSC manufactured to the UN-ISO-9809-1 specification) should be included in the Commission's definition of the domestic like product. It also argued that the Commission should find two domestic like products, one corresponding to HPSC of 150 cubic feet or less and the second corresponding to HPSC greater than 150 cubic feet. The Commission rejected both of these arguments.[18]

Current Reviews. Norris states that it agrees with the Commission's definition of the domestic like product in the original investigations.[19] Additionally, the record of these expedited reviews does not indicate changes in the characteristics and uses of HPSC since the original investigations.[20] Therefore, we continue to define a single domestic like product as consisting of HPSC, coextensive with the scope of the orders under review.

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."[21] 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.

Original Investigations. In the original investigations, the Commission defined the domestic industry as Norris, the sole U.S. producer of HPSC. There were no related party issues.[22]

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[16] CR at I-8, PR at I-6.

[17] *See* Original Determinations, USITC Pub. 4328 at 5-8.

[18] It found that ISO cylinders excluded from the scope were generally made from a different steel alloy than HPSC, were priced substantially higher, and were perceived by purchasers as a distinct product. Original Determinations, USITC Pub. 4328 at 6-7. It also found similarities in end uses and characteristics between smaller and larger diameter HPSC, and no clear dividing line between products of different diameters. *Id*. at 7-8.

[19] Response at 6.

[20] *See generally* CR at I-7-12, PR at I-5-8.

[21] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply 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.

[22] Original Determinations, USITC Pub. 4328 at 8.

Current Reviews. Norris agrees with the Commission's definition of the domestic industry in the original investigations.[23] There are no related party or other domestic industry issues in these five-year reviews.[24] Consequently, we continue to define a single domestic industry consisting of Norris, the sole known domestic producer of HPSC.

III. Revocation of the Antidumping Duty and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[25] The Uruguay Round Agreements Act Statement of Administrative Action ("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."[26] Thus, the likelihood standard is prospective in nature.[27] 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.[28]

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[23] See Response at 6.

[24] CR at I-15, PR at I-10.

[25] 19 U.S.C. § 1675a(a).

[26] SAA, H.R. Rep. 103-316. vol. I, at 883-84 (1994). The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended determinations that were never completed." *Id*. at 883.

[27] 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.

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

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[29] 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 determinations."[30]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[31] 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).[32] 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.[33]

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.[34] 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

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

[29] 19 U.S.C. § 1675a(a)(5).

[30] 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*.

[31] 19 U.S.C. § 1675a(a)(1).

[32] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings concerning the orders under review, because it has not completed an administrative review of the orders. *See* 81 Fed. Reg. 70388 (Oct. 12, 2016); 81 Fed. Reg. 70090 (Oct. 11, 2016); 80 Fed. Reg. 73701 (Nov. 25, 2015); 80 Fed. Reg. 52026 (Oct. 15, 2015); 79 Fed. Reg. 59477 (Oct. 2, 2014); 79 Fed. Reg. 59220 (Oct.1, 2014); 78 Fed. Reg. 55679 (Sept. 11, 2013); 78 Fed. Reg. 55059 (Sept. 9, 2013).

[33] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[34] 19 U.S.C. § 1675a(a)(2).

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.[35]

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.[36]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[37] 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.[38]

No respondent interested party participated in these reviews. The record, therefore, contains limited new information with respect to the current condition of the HPSC industry in China. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in these first five-year reviews.

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[35] 19 U.S.C. § 1675a(a)(2)(A-D).

[36] *See* 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in determinations, 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.

[37] 19 U.S.C. § 1675a(a)(4).

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

B. 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."[39] The following conditions of competition inform our determination.

1. Demand Conditions

Original Investigations. The Commission observed that HPSC are used for the transportation and storage of compressed or liquefied gases. It further explained that demand for HPSC was related to overall economic activity and specifically their use in several markets including construction, industrial and manufacturing, medical, beverage, and specialty gas/scuba. The largest market segments were construction followed by industrial and manufacturing. Apparent U.S. consumption of HPSC fell by nearly *** percent from 2008 to 2009, before increasing by *** percent in 2010 and an additional *** percent in 2011.[40] Apparent U.S. consumption was *** units in 2008 and *** units in 2011.[41]

There were three principal types of customers for HPSC during the period of investigation: "majors," OEMs, and buying groups. The "majors" were compressed-gas distributors that purchased cylinders directly from manufacturers. OEMs, often in the fire-suppressant or breathing-air supply markets, packaged HPSC into their products for sales to their end-use customers. Buying groups were consortia of smaller end-use customers that collectively negotiated annual price and payment terms with vendors of construction materials, including HPSC.[42]

Current Reviews. The record indicates that majors, OEMs, and buying groups remain the three major types of customer groups.[43] Apparent U.S. consumption of HPSC was 830,307 units in 2016, which was higher than the first and second years of the original period of investigation.[44] However, apparent U.S. consumption in 2016 by quantity was *** percent lower than it had been in 2011, the year with the highest apparent U.S. consumption during the

[39] 19 U.S.C. § 1675a(a)(4).

[40] Original Determinations, USITC Pub. 4328 at 12; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 16.

[41] Original Determinations, USITC Pub. 4328 at 12; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 16.

[42] Original Determinations, USITC Pub. 4328 at 12.

[43] Response at 10.

[44] CR/PR at Table I-4.

original period of investigation.[45] Norris asserts that since 2011, U.S. demand and apparent consumption have remained relatively flat.[46]

2. Supply Conditions

Original Investigations. The Commission found that Norris was the only remaining domestic producer after it acquired a facility from former domestic producer Taylor Wharton International Inc. ("TWI").[47] China was the largest source of HPSC to the U.S. market by the end of the period of investigation. Subject imports' share of apparent consumption by quantity increased from *** percent in 2009 to *** percent in 2010, and then to *** percent in 2011. Nonsubject imports were the second largest source of HPSC. They accounted for *** percent of U.S. apparent consumption in 2009, *** percent in 2010, and *** percent in 2011. The majority of nonsubject imports throughout the period were from Canada.[48]

Current Reviews. In 2016, the domestic industry was the largest supplier of HPSC to the U.S. market, accounting for *** percent of apparent U.S. consumption by quantity.[49] Norris asserts that its shipments increased during the period of review as the volume of imports from China decreased, and that it increased its capacity from *** units from 2015 to 2016.[50]

Subject imports were the second largest supplier to the U.S. market in 2016, accounting for *** percent of apparent U.S. consumption.[51]

Nonsubject imports' market share by quantity was *** percent in 2016.[52] In 2016, Korea was the largest source of nonsubject imports.[53]

3. Substitutability and Other Conditions

Original Investigations. The Commission found that there was significant direct competition between domestically produced HPSC and HPSC from China, and observed that the competition was based primarily on price, as a majority or plurality of purchasers reported that the domestic like product and subject merchandise were comparable in all other factors. [54] The

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[45] CR/PR at Table I-4. Apparent U.S. consumption by quantity was *** units in 2009, *** units in 2010, and *** units in 2011. CR/PR at Table I-4.

[46] Response at 5-6.

[47] Until its acquisition of the TWI facility in June 2010, Norris relied on a Canadian producer to supply it with HPSC that had gas capacities of up to 80 cubic feet. Original Determinations, USITC Pub. 4328 at 13.

[48] Original Determinations, USITC Pub. 4328 at 13.

[49] CR/PR at Table I-5.

[50] Response at 5-6.

[51] CR/PR at Table I-5.

[52] CR/PR at Table I-5.

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

[54] Original Determinations, USITC Pub. 4328 at 13.

Commission consequently found that there was a high degree of substitutability between the subject imports and the domestic like product.[55]

The Commission observed that raw materials accounted for a substantial share of the cost of HPSC. Chrome alloy steel was the main raw material used to produce HPSC.[56]

Current Reviews. The record indicates there have been no changes that would call into question the Commission's prior findings regarding the degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions. Consequently, we again find that there is a high degree of substitutability between subject imports and the domestic like product and that price plays an important role in purchasing decisions.

C. Likely Volume of Subject Imports

1. The Original Investigations

The Commission found that the volume of subject imports and the increase in the volume of those imports were significant, both in absolute terms and relative to consumption and production in the United States. Subject import volume increased from *** units in 2009 to *** units in 2010 and *** units in 2011. Likewise, subject imports increased their share of the U.S. market by quantity from *** percent in 2009 to *** percent in 2010 and *** percent in 2011.[57] The Commission emphasized that subject imports took market share from both the domestic industry and nonsubject imports. The domestic industry's market share declined from *** in 2009 to *** in 2010 and increased to *** in 2011, while nonsubject imports' share of the market decreased from *** percent in 2009 to *** percent in 2010 and *** percent in 2011. The Commission explained that some of the nonsubject import decline was expected given Norris's acquisition of TWI's plant to source its smaller cylinders that it previously imported from Canada. [58]

2. The Current Reviews

Subject imports maintained their presence in the U.S. market during the period of review. During 2011, the last year of the original period of investigation, subject import volume was 473,531 units.[59] Subject import volume declined irregularly over the period of review from a period high of 380,717 units in 2012 to a period low of 80,167 units in 2015, with the volume

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[55] Original Determinations, USITC Pub. 4328 at 13.

[56] Original Determinations, USITC Pub. 4328 at 14.

[57] Original Determinations, USITC Pub. 4328 at 14; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 19-20.

[58] Original Determinations, USITC Pub. 4328 at 15; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 21.

[59] CR/PR at Table I-6.

of subject imports increasing to 372,470 units in 2016.[60] As previously discussed, subject import market share was *** percent in 2016.[61]

The Commission has limited information on the subject industry in these reviews. The information available provides no indication that subject producers' capacity to produce HPSC at the levels observed in the original investigations has changed.[62] In the original investigations, one producer of HPSC responded to the foreign producers' questionnaire; this producer accounted for an estimated *** percent of production of HPSC in China in 2011 and an estimated *** percent of exports of HPSC from China during that year.[63] From 2009 to 2011, this producer's capacity increased from *** units to *** units, its production increased from *** units to *** units, and its export shipments increased from *** units to *** units.[64] The information available further indicates that the subject industry continues to be export oriented as China led the world in HPSC exports by value every year from 2012 to 2016.[65]

The record indicates that the United States would likely be an attractive market for the subject producers if the orders were revoked. Subject imports maintain a substantial presence in the U.S. market; even with antidumping and countervailing duty orders in place, subject imports reached 372,470 units in 2016, which was higher than first two years of the original period of investigation.[66] The record indicates that there are established distribution networks for the subject imports in the United States. Norris asserts that the number of distributors selling subject imports has grown from three during the original period of investigation to six in the current period of review. Additionally, it claims the number of direct importer customers in the U.S. market has grown from six during the original investigations to 21 in the current period of review.[67]

In light of the subject producers' high export orientation, including substantial exports of HPSC to the United States during the period of review, and their demonstrated ability to increase exports to the United States during both the period of review and the original

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[60] CR/PR at Table I-3. Subject import volume was 380,717 units in 2012, 162,994 units in 2013, 191,537 units in 2014, 80,167 units in 2015, and 372,470 units in 2016. CR/PR at Table I-3.

[61] CR/PR at Table I-5. Subject import market share was *** percent in 2009, *** percent in 2010, and *** percent in 2011. CR/PR at Table I-5.

[62] Response at 9.

[63] Original Investigations CR INV-KK-056 (May 17, 2012), EDIS Doc. 615655 at VII-2.

[64] Original Investigations CR at Table VII-1.

[65] According to Global Trade Atlas (GTA) data, exports of HPSC from China totaled $518.7 million in 2012, $515.0 million in 2013, $573.1 million in 2014, $579 million in 2015, and $519.9 million in 2016. *See* CR/PR at Table I-7. GTA data may include products outside the scope of these reviews.

[66] CR/PR at Tables I-3-4.

[67] Response at 11.

investigations, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would increase and be significant if the orders were revoked. [68]

D. Likely Price Effects

1. The Original Investigations

In the original investigations, subject imports undersold the domestic like product in all 48 quarterly pricing comparisons. The Commission observed that because all HPSC must meet stringent DOT standards, HPSC can be considered a commodity-type product. Because the domestic like product and the subject imports were highly substitutable and price was an important factor in purchasing decisions, the Commission found this underselling to be significant.[69]

The Commission did not, however, find that the subject imports depressed or suppressed prices for the domestic like product to a significant degree because prices for domestically produced HPSC and the subject imports fluctuated throughout the period, and the domestic industry was able to increase prices in 2010 and 2011.[70] Also, the domestic industry's ratio of cost of goods sold (COGS) to net sales decreased from *** percent in 2009 to *** percent in 2010 and then to *** percent in 2011.[71] Nevertheless, the Commission found that significant underselling during the period allowed subject imports to gain market share at the expense of the domestic industry. The high degree of substitutability between subject imports and domestically produced HPSC, the importance of price to purchasers in the U.S. market, and the prevalence of spot sales also exacerbated the impact of the underselling.[72]

2. The Current Reviews

Due to the expedited nature of these reviews, there is no new product-specific pricing information on the record. As discussed above, the facts available indicate that our findings from the original investigations that there is a high degree of substitutability between subject imports from China and the domestic like product and that price plays an important role in purchasing decisions are still applicable.[73]

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[68] Because of the expedited nature of these reviews, the Commission has no information on inventories of the subject merchandise or product shifting. HPSC from China are not subject to antidumping or countervailing duty orders in other markets. CR at I-25, PR at I-15-16.

[69] Original Determinations, USITC Pub. 4328 at 16-17; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 22-24.

[70] Original Determinations, USITC Pub. 4328 at 16-17.

[71] Original Determinations, USITC Pub. 4328 at 17; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 24.

[72] Original Determinations, USITC Pub. 4328 at 17.

[73] Original Determinations, USITC. Pub. 4328 at 13.

Because of the high degree of substitutability between the domestic like product and subject imports and because price continues to be an important factor in purchasing decisions, to gain market share subject imports would likely significantly undersell the domestic like product, as they did during the original investigations. The likely significant volume of low-priced subject imports would likely force the domestic industry either to lower prices or lose sales. In light of these considerations, we find that subject imports would likely significantly undersell the domestic like product and have significant price effects if the orders were revoked.

E. Likely Impact of Subject Imports

1. The Original Investigations

In the original investigations, the Commission found that, bolstered by a strong increase in apparent U.S. consumption, many of the domestic industry's performance indicators improved during the period of investigation. The industry's production, shipments and net sales all increased during the period and its capacity remained ***. The domestic industry's productivity, hours worked, wages paid, and capital expenditures all increased. Inventories rose modestly and capacity utilization improved, but remained very low. The industry's financial performance also showed improvements in operating income and the ratio of operating income to net sales.[74]

The Commission explained that the U.S. industry and U.S. market began the period of investigation at the bottom of the economic downturn and as the economy recovered, it would be expected that the U.S. market and domestic industry's condition would have improved during the period of investigation. However, during the recovery, subject imports increased their share of the U.S. market by *** percentage points and, consequently, the domestic industry's revenues and profitability were worse than they would have been otherwise. Given the close substitutability of subject HPSC and domestically produced HPSC, the Commission found it likely that had subject imports not significantly undersold U.S. produced HPSC, a larger share of the recovery would have gone to the U.S. producer with beneficial effect on the condition of the domestic industry.[75]

The Commission also examined nonsubject imports as an alternative cause of injury and found that nonsubject imports did not appear to have adversely affected the domestic industry's condition. While subject imports increased market share, nonsubject imports lost significant market share. Further, prices of HPSC from Canada, the largest nonsubject import

[74] Original Determinations, USITC Pub. 4328 at 18; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 26.

[75] Original Determinations, USITC Pub. 4328 at 18-19; Original Determinations Confidential Opinion, EDIS Doc. 615656 at 27.

source, were consistently higher than the prices of subject imports and similar to or higher than prices for domestically produced HPSC over the period.[76]

2. The Current Reviews

Because of the expedited nature of these reviews, information on the record concerning the recent performance of the domestic industry is limited. This limited information is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation of recurrence of material injury in the event of the revocation of the orders.

Nearly all indicia of domestic industry performance for which information is available showed improvement in 2016 from the original period of investigation. The domestic industry's production and capacity utilization were higher,[77] as were its U.S. shipments.[78] Sales revenues were higher. The industry experienced operating income and an operating ratio exceeding any period in the original investigations.[79]

As discussed above, we conclude that revocation of the antidumping and countervailing duty orders on HPSC from China would likely lead to a significant volume of subject imports that would likely undersell the domestic like product and would likely force the domestic industry to lower prices or lose sales. We find that the likely volume and price effects of subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenue of the domestic industry. These reductions would have a direct adverse impact on the domestic industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the likely role of nonsubject imports in the U.S. market. There is no indication or argument on this record that the presence of nonsubject imports would prevent subject imports from China from significantly increasing their presence in the U.S. market in the event of revocation of the orders, given the export orientation of the subject industry and the relative attractiveness of the U.S. market. Given the high degree of substitutability between the subject imports and the domestic like product, the likely increase in subject imports upon revocation would likely take significant market share from the domestic

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[76] Original Determinations, USITC Pub. 4328 at 20.

[77] Production, which in the original investigations peaked at *** units in 2011, was *** units in 2016. Capacity, which was at *** units in each year of the original period of investigation, was *** units in 2016. Capacity utilization, which in the original investigations peaked at *** percent in 2011, was *** percent in 2016. CR/PR at Table I-2.

[78] The domestic industry's U.S. shipments, which in the original investigations peaked at *** units in 2011, were *** units in 2016. CR/PR at Table I-2.

[79] Net sales values, which in the original investigations peaked at $*** in 2011, were $*** in 2016. Operating income was $*** in 2016; as a ratio to net sales, operating income was *** percent in 2016. By contrast, the industry had *** operations during most of the original period of investigation. CR/PR at Table I-2.

industry.[80] Therefore, the subject imports are likely to have adverse effects on the domestic industry distinct from nonsubject imports in the event of revocation.

Thus, we conclude that revocation of the antidumping and countervailing duty orders on subject imports from China would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on HPSC from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

[80] CR/PR at Table I-4.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On May 1, 2017, the U.S. International Trade Commission ("Commission") 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 antidumping and countervailing duty orders on high pressure steel cylinders ("HPSCs") from China would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
May 1, 2017	Notice of initiation and institution by Commerce and Commission
August 4, 2017	Commissioner rulings regarding adequacy/inadequacy and expedited/full reviews
August 29, 2017	Commerce results of its expedited reviews
October 16, 2017	Commission vote on adequacy
October 31, 2017	Determination and views to Commerce

RESPONSES TO THE COMMISSION'S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews filed on behalf of:

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

[2] *High Pressure Steel Cylinders from China; Institution of a Five-Year Review*, 82 FR 20373, May 1, 2017. In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of a five-year review of the subject antidumping and countervailing duty orders concurrently with the Commission's notice of institution. *Initiation of Five-Year ("Sunset") Reviews*, 82 FR 20314, May 1, 2017. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission's website (www.usitc.gov).

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

[4] Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

Norris Cylinder Company ("Norris"), a domestic producer of HPSCs referred to herein as the "domestic interested party").[5]

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

Table I-1

HPSCs: Summary of responses to the Commission's notice of institution

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	***[1]

[1] The coverage figure is the estimated share of total U.S. production of HPSCs in 2016 accounted for by the responding firm, Norris, the sole U.S. producer of HPSCs since before the date of the order. Domestic Interested Party's Response to the Notice of Institution, May 25, 2017, p. 5.

Party comments on adequacy

The Commission received one submission from the domestic interested party commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The domestic interested party contends that its response as a whole is adequate because it is the sole domestic producer of HPSCs, and it filed a timely response to the Commission's Notice of Institution. In contrast, the domestic interested party noted that no Chinese producer or exporter filed a response to the Notice of Institution.[6]

The domestic interested party argued that the Commission should find the respondent interested party group response to be inadequate since there was no submission by any respondent interested party. Therefore, because of the inadequate response by the respondent interested parties and the fact that there have been no major changes in the conditions of competition in the market since the Commission's original investigation, it requests that the Commission conduct an expedited review of the antidumping and countervailing duty orders on HPSCs.

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[5] Norris, the sole domestic producer, is a subsidiary of TriMas, a global manufacturer of engineered and specialty products, headquartered in Bloomfield Hills, Michigan. TriMas has about 4,000 employees at more than 70 facilities in 11 countries and is listed on NASDAQ under symbol TRS. Trimas Corporation, Annual Report, 2016. Available at http://ir.trimascorp.com/common/download/download.cfm?companyid=ABEA-3HV6YF&fileid=936370&filekey=751DE866-71A3-4196-B826-FCA74BCBD586&filename=AR_3.28.17_lo_res.pdf

[6] *Domestic Interested Party's Comments on Adequacy,* July 10, 2017, pp. 2-3.

RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's original investigation, there have been two significant changes in market conditions in the HPSCs industry:

1) There is an increased number of distributors and direct importer customers in the United States for HPSCs produced in China:
   a) Distributors of Chinese HPSCs selling in the United States have grown from ***, and the number of direct importers increased from ***,
   b) Beijing Tianhai Industrial Co., Ltd. ("BTIC") has added at least *** since the Commission's original investigations,[7] and
2) There is an increased volume of imports of out-of-scope HPSCs manufactured to the UN-ISO-9808-1 specification ("ISO cylinders") from China, and that these ISO cylinders are imported at ***.[8]

THE ORIGINAL INVESTIGATION

The original investigations resulted from a petition filed on May 11, 2011 with Commerce and the Commission by Norris, Longview, TX. On May 7, 2012, Commerce determined that imports of HPSCs from China were being sold at less than fair value ("LTFV").[9] The Commission published its determination on June 22, 2012 that the domestic industry was materially injured by reason of LTFV imports of HPSCs from China.[10] On June 21, 2012, Commerce issued its antidumping duty order with the final weighted-average dumping margins ranging from 6.62 percent to 31.21 percent, as well as its countervailing duty order with net subsidy rate of 15.81 percent for BTIC and all others.[11] [12]

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[7] *Domestic Interested Party's Response to the Notice of Institution*, May 25, 2017 pp. 11 and 12.

[8] Ibid. In its original determination, the Commission excluded ISO cylinders from the domestic like product definition based on composition, price, and specification. *High Pressure Steel Cylinders from China*, Inv. Nos. 701-TA-480 and 731-TA-1188 (Final), USITC Pub. 4328 (June 2012) at 9.

[9] *Notice of Final Determination of Sales at Less Than Fair Value: High Pressure Steel Cylinders from China*, 77 FR 26739, May 7, 2012.

[10] *High Pressure Steel Cylinders from China,* 77 FR 37712, June 22, 2012.

[11] *High Pressure Steel Cylinders from the People's Republic of China: Antidumping Duty Order,* 77 FR 37377, June 21, 2012.

[12] *High Pressure Steel Cylinders from the People's Republic of China: Countervailing Duty Order,* 77 FR 37384, June 21, 2012.

PRIOR RELATED INVESTIGATIONS

HPSCs from China have not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

On September 17, 2012, China requested World Trade Organization ("WTO") consultations with the United States under Section 129 of the Uruguay Round Agreements Act on several issues, including "the United States' failure to provide the U.S. Department of Commerce with legal authority to identify and avoid the double remedies in respect of investigations or reviews initiated on or between November 20, 2006 and March 13, 2012."[13] After dispute settlement deliberations, the WTO ruled in China's favor and on July 22, 2014 adopted the Appellate Body report. On August 21, 2014, the United States informed the WTO of its intention to implement the dispute settlement decision within a reasonable period of time. On August 14, 2015, the U.S. Department of Commerce issued Federal Register notice 80 FR 48812 implementing the decision.[14]

THE PRODUCT

Commerce's scope

Commerce has defined the subject merchandise as:

> The merchandise covered by the order is seamless steel cylinders designed for storage or transport of compressed or liquefied gas (''high pressure steel cylinders''). High pressure steel cylinders are fabricated of chrome alloy steel including, but no limited to, chromium-molybdenum steel or chromium magnesium steel, and have permanently impressed into the steel, either before

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[13] WT/DS449/15: United States – Countervailing and Anti-dumping Measures on Certain Products from China, https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds449_e.htm

[14] On August 4, 2015, the U.S. Trade Representative ("USTR") instructed Commerce to implement its determinations under section 129 of the Uruguay Round Agreements Act (URAA) regarding the antidumping duty investigations on several investigations including HPSCs, which renders them not inconsistent with the WTO dispute settlement findings in the Appellate Body report on United States — Countervailing and Anti-dumping Measures on Certain Products from China, WT/DS449/AB/R (July 7, 2014), and the panel report, as modified by the Appellate Body report, WT/DS449/R (March 27, 2014), adopted by the WTO Dispute Settlement Body on July 22, 2014 (DS 449). The Department issued its final determinations in these section 129 proceedings between July 14, 2015, and July 31, 2015. The Department is now implementing these final determinations.

On January 28, 2015, the Department informed parties that it was initiating proceedings under section 129 of the URAA to implement the findings adopted by the WTO Dispute Settlement Body in DS 449 with respect to the above-referenced AD investigations and administrative review. These proceedings concern the Department's imposition of ADs calculated on the basis of the methodology for nonmarket economy countries prescribed by section 773(c) of the Tariff Act of 1930 (the Act), as amended, concurrently with the imposition of countervailing duties upon the same products without having assessed whether so-called "double remedies," (i.e., the offsetting of the same subsidy twice) arose from such concurrent duties.

or after importation, the symbol of a U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (''DOT'') approved high pressure steel cylinder manufacturer, as well as an approved DOT type marking of DOT 3A, 3AX, 3AA, 3AAX, 3B, 3E, 3HT, 3T, or DOT–E (followed by a specific exemption number) in accordance with the requirements of sections 178.36 through 178.68 of Title 49 of the Code of Federal Regulations, or any subsequent amendments thereof. High pressure steel cylinders covered by the investigation have a water capacity up to 450 liters, and a gas capacity ranging from 8 to 702 cubic feet, regardless of corresponding service pressure levels and regardless of physical dimensions, finish or coatings.

Excluded from the scope of the order are high pressure steel cylinders manufactured to UN–ISO–9809–1 and 2 specifications and permanently impressed with ISO or UN symbols. Also excluded from the investigation are acetylene cylinders, with or without internal porous mass, and permanently impressed with 8A or 8AL in accordance with DOT regulations.[15]

Description and uses[16]

HPSCs are seamless, chromium-alloy steel containers, of circular in cross section and characteristically tapered at the top to form a neck that is fitted with a screw-in steel or brass shut-off valve. A steel safety cap is twisted onto the threaded neck ring at the top of the cylinder to protect the valve from accidental breakage during transit and handling. The bottom surface is concave so that the cylinder is stable while standing upright. The interior wall may be coated or plated, particularly to protect the steel in cylinders that contain corrosive gases. HPSCs are designed specifically for transporting, storing, and dispensing a wide variety of compressed gases in various end-use applications.

"High pressure" refers to ranges from 1,800 to 6,000 pounds per square inch ("psi"). Cylinder sizes are also designated in terms of the equivalent water capacity, measured in liters. For any given cylinder size, its wall thicknesses can vary by the manufacturer, being designed to meet minimum tensile strength requirements for the steel.

To minimize the risk of leakage or even explosion of compressed gases—and given the fact that some gases can be hazardous, corrosive, flammable, or otherwise highly reactive—in transporting filled HPSCs, the U.S. Department of Transportation's ("DOT") Pipeline and Hazardous Materials Safety Administration ("PHMSA") issues manufacturer certifications, manufacturing process standards, and product performance standards for HPSCs sold into the

[15] *High Pressure Steel Cylinders from the People's Republic of China: Antidumping Duty Order,* 77 FR 37377, June 21, 2012.

[16] Unless otherwise noted, this information is based on *High Pressure Steel Cylinders from China, Investigation Nos. 701-TA-480 and 731-TA-1188 (Final),* USITC Publication 4328*,* June 2012, pp. I-6 through I-11.

U.S. market, regardless of whether the cylinders are of domestic or foreign origin. [17] [18] [19] For traceability purposes, the PHMSA requires a series of identifying markings to be permanently impressed into the steel along the tapered portion of the cylinder below the base of the neck and on the neck ring. These marks indicate the manufacturer's assigned hallmark or number, DOT specification, pressure rating, cylinder serial number, date of manufacture or original hydrostatic pressure testing date(s) of subsequent re-testing(s), and other identifying information. Additional markings (e.g., the heat (batch) of the purchased steel) appear, either on the tapered top or on the bottom of the cylinder, and on the purchased valve for complete traceability of all materials and components, per DOT requirements.

Generally, the market for HPSCs is split between three groups of customers. First, the "majors" are compressed-gas distributors that purchase cylinders directly from vendors. Second, original equipment manufacturers ("OEMs"), package HPSCs into their products such as fire suppression systems or breathing air systems. Third, there are "buying groups" or "buying consortiums" of smaller and end users (such as companies involved in construction) who band together to enhance their buying power in negotiating annual price terms with vendors to procure the best possible prices for their members. [20]

All HPSCs are required to undergo re-testing and re-certification, most typically in 10-year intervals, although in 5-year intervals for some. For example, cylinders that contain certain gases (e.g., carbon dioxide, hydrogen, and methane, among others) that can adversely affect the inner surface over time are in particular need of re-testing. Several hundred firms (predominantly re-testers as well as some compressed-gas distributors) inspect and re-certify HPSCs for hydrostatic pressure. The date stamp is checked on returned cylinders before refilling them, and those that are due will be re-tested. Re-certified cylinders are re-stamped with a new future date for hydrostatic pressure re-testing. The small portion that fail are taken out of service, typically by punching a hole through the wall to prevent refilling, and are subsequently sold off to scrap metal dealers.

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[17] The DOT specifications listed in the scope provide for each type of seamless steel cylinders the requirements for sizes; service pressures; steel grades; product-quality standards; heat treatment; hydrostatic pressure and leakage testing; yield, tensile, and elongation testing; marking; etc.

[18] The domestic interested party's cylinders are stamped with approval marks of both the DOT and Transport Canada ("TC") for sale and use in the United States and Canada, respectively. Norris Cylinder, "Engineering, Quality & Certifications," http://norriscylinder.com/dot-overview.php, retrieved July 14, 2017.

[19] During the final phase of the original investigations, a witness for the respondents testified that, global customers increasingly prefer multiple-approval stamped that can be sold into various international markets rather than having to bear the record-keeping burden and expense of maintaining inventories of separately approved cylinders for each individual market.

[20] *Domestic Interested Party's Response to Notice of Institution*, May 25, 2017, pp. 10-11.

Manufacturing process[21]

Producers utilize a multi-stage process, in coordination with outside testing and certifying companies, to (1) press and form; (2) heat treat, quench, and temper; (3) machine, clean, and coat; (4) test and mark; and (5) finish HPSCs. In the final phase of the original investigation, all participating parties concurred that both domestic and foreign producers rely on the same manufacturing processes to produce HPSCs,[22] as their processes and products must adhere to DOT requirements for their cylinders to be sold into the U.S. market.

Pressing and forming

Manufacturing of HPSCs begins with pressing operations, under elevated temperatures and pressures that shape the steel into an open-ended cylindrical shell. There are two alternative methods for the pressing step, based on the form of the steel mill product used as the raw input materials. The "billet piercing process" starts with a semi-finished steel billet. The billet is cut into sections ("mults"), which are subsequently heated either in an induction furnace or by a natural-gas-fired heating process to working temperature (over 2,000˚ F). The heated mults are first pierced with a mandrel in a piercing press and then forged into rough-shaped billet tube cups. Next, a billet tube cup is extruded through a series of roller dies to produce a shell of the desired diameter, length, and uniform wall thickness. Alternatively, the "spun-from-tube process" starts with a seamless steel tube. The tube is cut into sections of the desired length. In a separate step, one end of the tube is heated to working temperature (over 2,000˚ F), and the tube is spun in a lathe, as pressure is applied to close the heated end. Afterwards, the closed-end of the shell, resulting from either method described above, is "bumped back" in another pressing operation to create a concave bottom. The neck of the cylinder is formed, in a manner similar to the spun-from-tube process, by heating the open end of the shell to working temperature (over 2,000˚ F) and applying pressure as the shell is spun on a lathe.

Heat treatment, quenching, and tempering

After the pressing and forming stage, cylinders pass through heat treating, quenching, and tempering procedures to set the mechanical properties of the steel. Because uniformity of the steel is critical for product safety of a cylinder containing compressed gases under high

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[21] Unless otherwise noted, this information is based on *High Pressure Steel Cylinders from China, Investigation Nos. 701-TA-480 and 731-TA-1188 (Final),* USITC Publication 4328, June 2012, pp. I-11 through I-13.

[22] In the final phase of the original investigations, there was testimony that, among HPSCs producers worldwide, some rely on either the billet-piercing or the tube-spinning process, whereas others utilize both processes. Conference transcript, p. 44 (Van Auken). BTIC and other Chinese producers utilize both of these processes as well. Norris uses billet piercing for all of its operations. Norris Cylinder, "Billet Pierce," http://norriscylinder.com/billet-pierce.php, retrieved July 14, 2017.

pressures, one cylinder from the production lot is destructively tested to validate that the steel meets the DOT specifications.

Machining, cleaning, and coating

The neck is tapped to cut screw threads into the interior surface to receive the shut-off valve. A threaded neck ring is welded onto the top of cylinder at the base of the neck for securing the valve-protection safety cap.[23] Cylinders are cleaned by shot blasting, both inside and out, followed by visual inspection on the inside for any remaining debris that must be removed. The extent of shot blasting and degree of cleanliness required for inside surfaces varies by the intended end use, especially for cylinders that will contain specialty gases. As needed, the interior surface can be plated or coated (e.g., with nickel), particularly for cylinders that will contain corrosive gases.

Testing and marking

Cylinders are subject to hydrostatic pressure testing, in accordance with DOT specifications, in which the cylinder is subject to pressure five-thirds (1.67 times) that of the rated service pressure. Testing is either overseen or actually performed by third-party testing and certification firms. For HPSCs produced from steel tube, there are additional proof-pressure and other testing requirements to certify that the bottom was sealed properly during the spinning process. Tested and certified cylinders are subsequently marked with permanent impressions rolled into the sloping top portion below the neck.

Finishing

Before shipping, a cylinder is primed, and may be painted in accordance with the customer's specifications. Likewise, a cylinder may be provided with a specific type of shut-off valve, per the customer's specifications. Some Chinese-origin cylinders are imported by large distributors who paint and add on the neck rings, caps, and valves prior to sale to the end user.

U.S. tariff treatment

Merchandise covered by the investigations is currently imported under statistical reporting number 7311.00.0030. Subject merchandise may also be imported under HTSUS statistical reporting numbers 7311.00.0060 or 7311.00.0090. HPSCs imported from China enter the U.S. market at a column 1-general duty rate of "free." Although the HTSUS subheadings are

[23] Valve-protection caps are produced by a deep-draw process from steel plate of similar grade as the chromium-alloy steel for the cylinder itself, but of lower carbon content. The cap is secured by twisting it onto the threaded rim of a neck ring attached to the top of the cylinder around the base of the neck.

provided for convenience and customs purposes, the written description of the merchandise under the investigation is dispositive.

The definition of the domestic like product

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determination, the Commission defined the domestic like product coextensive with Commerce's scope.[24]

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definition of the domestic like product. The domestic interested party agrees with the Commission's definition of the domestic like product as stated in the original investigations.[25]

ACTIONS AT COMMERCE

Commerce has not conducted any changed circumstances reviews, critical circumstances reviews, or anti-circumvention findings since the imposition of the Order. In addition, Commerce has not made any duty absorption findings or issued any company revocations or scope rulings since the imposition of the Order.

Current five-year review

Commerce is conducting expedited reviews with respect to HPSCs from China and intends to issue the final results of these reviews based on the facts available not later than August 29, 2017.[26]

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[24] *High Pressure Steel Cylinders from China, Investigation Nos. 701-TA-480 and 731-TA-1188 (Final)*, USITC Publication 4328, June 2012, pp.5-8. The Commission considered whether to include ISO cylinders as part of the domestic like production definition. It found that ISO cylinders have many of the same physical characteristics and end uses as DOT cylinders, and they are interchangeable with DOT cylinders for at least some uses. Both ISO cylinders and DOT cylinders are made by a similar production process in the same facilities by the same employees. Purchasers, however, do not view the two types of cylinders as interchangeable because the ISO specifications are relatively new and clearly distinct from the more-familiar DOT specifications and because ISO cylinders are priced substantially higher. Additionally, ISO cylinders are generally made from a different steel alloy than HPSCs and undergo more rigorous testing procedures. The Commission declined to include ISO cylinders in the definition of the domestic like product. *Id.*

[25] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p. 6.

[26] *Letter from Jim Doyle, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Michael G. Anderson,* June 22, 2017.

THE INDUSTRY IN THE UNITED STATES

U.S. producers

During the final phase of the original investigations, the Commission received one U.S. producer questionnaire from Norris, which accounted for 100 percent of production of HPSCs in the United States during 2011.[27]

In response to the institution of these first five-year reviews, the Commission received one U.S. producer response to the notice of institution, accounting for 100 percent of production of HPSCs in the United States during 2016.[28]

Definition of the domestic industry and related party issues

The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties' provision, the Commission may exclude a related party for purposes of its injury determination if "appropriate circumstances" exist.[29] In its original determination, the Commission defined the domestic industry as Norris, the sole U.S. producer of HPSCs.[30]

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate definition of the domestic industry and inquired as to whether any related parties issues existed. The domestic interested party did not cite any potential related parties' issues and agreed with the Commission's prior definition of the domestic industry.[31]

U.S. producers' trade and financial data

The Commission asked the domestic interested party to provide trade and financial data in its response to the notice of institution of the current five-year reviews.[32] Table I-2 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations.

The domestic interested party also presented in its response to the notice of institution data regarding production, capacity, U.S. commercial shipments, trade and financial data of U.S.

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[27] *Investigation Nos. 701-TA-480 and 731-TA-1188 (Final), High Pressure Steel Cylinders from China- Staff Report,* INV-KK-056, May 17, 2012, pp. III-1—III-3.

[28] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p. 3.

[29] Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

[30] *High Pressure Steel Cylinders from China, Investigation Nos. 701-TA-480 and 731-TA-1188 (Final)*, USITC Publication 4328, June 2012, p. 8.

[31] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p. 6.

[32] Individual company trade and financial data are presented in app. B.

producer. [33] Since the original investigations, one change in supply conditions is that Norris *** its capacity from *** units in 2015 to *** units in 2016.[34] The domestic interested party notes that aspects that have not changed include the following:[35]

(1) HPSCs from China remain in the domestic market;
(2) the domestic market for HPSCs is still price sensitive; and
(3) customer and channels of distribution have not changed.

Table I-2

HPSCs: Trade and financial data submitted by U.S. producer, 2009-2011, and 2016

* * * * * * *

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from nine firms, four of which reported imports of HPSCs from China. *** of those four firms, ***, accounted for *** percent of total reported U.S. imports from China during 2011.[36]

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested party provided a list of *** potential U.S. importers of HPSCs.[37]

U.S. imports

Table I-3 presents the quantity, value, and unit value for imports from China as well as the other top sources of U.S. imports (shown in descending order of 2016 imports by quantity).

Since the imposition of antidumping and countervailing duty orders in June 2012, HPSC imports from China are estimated to have ranged from 80,167 units (in 2015) to 372,470 units (in 2016) units, compared to a high of 731,564 units in 2011, the last full year of the original period of investigation.[38]

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[33] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p. 5

[34] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, pp. 5-6.

[35] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p. 8.

[36] *Investigation Nos. 701-TA-480 and 731-TA-1188 (Final), High Pressure Steel Cylinders from China- Staff Report,* INV-KK-056, May 17, 2012, p. IV-1.

[37] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, Exhibit 2.

[38] *Ibid*, p. 3. Import data is based on official statistics of Commerce for HTS reporting number HS 7311.00.0030.

Table I-3
HPSCs: U.S. imports, 2012-16

Item	2012	2013	2014	2015	2016
	Quantity (units)				
China (subject)	380,717	162,994	191,537	80,167	372,470
Korea	63,078	59,982	55,836	76,322	60,416
Mexico	3,295	1,111	4	235	4,571
Canada	3,400	4,264	8,395	9,705	3,951
Austria	4,907	2,159	1,302	1,335	2,601
United Kingdom	989	1,423	4,939	803	2,425
All other imports (nonsubject)	39,324	4,812	14,078	6,929	4,850
Total imports	495,710	236,745	276,091	175,496	451,284
	Landed, duty-paid value ($1,000)				
China (subject)	27,424	7,950	9,201	4,168	5,904
Korea	7,597	6,936	5,656	7,115	5,864
Mexico	302	125	7	14	398
Canada	440	576	961	974	277
Austria	1,036	682	326	257	655
United Kingdom	130	268	677	432	305
All other imports (nonsubject)	3,110	5,162	3,334	1,287	920
Total imports	40,039	21,699	20,162	14,247	14,323
	Unit value (dollars per unit)				
China (subject)	72.03	48.77	48.04	51.99	15.85
Korea	120.44	115.63	101.30	93.22	97.06
Mexico	91.65	112.51	1750	59.57	87.07
Canada	129.41	135.08	114.47	100.36	70.11
Austria	211.12	315.89	250.38	192.51	251.83
United Kingdom	131.45	188.33	137.07	537.75	125.77
All other imports (nonsubject)	79.09	1072.73	236.82	185.74	189.69
Total imports	80.77	91.66	73.03	81.18	31.74

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

Source: Official Commerce statistics for HTS statistical reporting number 7311.00.0030.

Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-5 presents data on U.S. market shares of U.S. apparent consumption. The domestic interest party's response noted that since 2011, U.S. demand and apparent consumption have remained relatively flat, although Norris' shipments have increased as the volume of imports from China decreased. Census data indicates there have been imports from Korea, the second largest import source, which remain low and steady in volume (see table I-3).[39]

Table I-4
HPSCs: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2009-2011, and 2016

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Table I-5
Product: Apparent U.S. consumption and U.S. market shares, 2009-2011, and 2016

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THE INDUSTRY IN CHINA

During the final phase of the original investigations, the Commission received questionnaire responses from one producer of HPSCs in China, BTIC.[40] Based on estimates provided in its questionnaire response, BTIC accounted for an estimated *** percent of total production of HPSCs in China and accounted for an estimated *** percent of total exports of HPSCs from China in 2011.[41] BTIC reported that it shipped to *** U.S. importers of HPSCs in 2011, ***.

The domestic producer stated in their response to the notice of institution that it has been unable to obtain information on HPSCs in China, and official Chinese export statistics do not have a Harmonized System category that is sufficiently precise. However, Norris noted that it has no evidence to suggest that there have been significant changes to Chinese capacity since the original investigations.[42] Norris claimed that there is significant unused capacity in China for

[39] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p.6

[40] *Investigation Nos. 701-TA-480 and 731-TA-1188 (Final), High Pressure Steel Cylinders from China- Staff Report,* INV-KK-056, May 17, 2012, p. VII-2. The Report also notes that BTIC is affiliated with America Fortune, a U.S. importer of HPSCs.

[41] Ibid.

[42] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p. 9.

the production of HPSCs, as there may be a total of ten DOT-approved HPSC manufacturers in China. [43]

Table I-6 presents export data for HPSCs from China in descending order of quantity for 2012-16.

[43] *Domestic Interested Party's Response to the Notice of Institution,* May 25, 2017, p. 23*; see also Investigation Nos. 701-TA-480 and 731-TA-1188 (Final), High Pressure Steel Cylinders from China- Staff Report,* INV-KK-056, May 17, 2012, pp. VII-3, VII-8 and VII-9. The ten Chinese firms that are DOT-approved manufacturers of subject HPSCs are Anshan High Pressure Cylinder Co. Ltd., BTIC (two locations), Chengdu High Pressure Vessel Factory, Chongqing Yifeng High Pressure, Shanghai High Pressure Container Co. Ltd., Shanghai High Pressure Specialty Gas Cylinder Co. Ltd., Shanghai Qingpu Fire Fighting Equipment Co. Ltd., Shijiazhuang Enric Gas Equipment Co. Ltd., Tianjin Tianhai High Pressure Container Co. Ltd., and Zhejiang Jindun Pressure Vessel Co. Ltd. But DOT noted on their website that approvals for Chengdul High Pressure and Anshan High Pressure, had either terminated or become inactive. https://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/ForApp2006Inactive.pdf. Retrieved July 14, 2017.

Table I-6
HPSCs: Exports of HPSCs from China, by destination, 2012-16

Item	Calendar year				
	2012	2013	2014	2015	2016
	Quantity (short tons)				
United States	29,871	25,610	30,679	38,997	31,376
Korea	11,422	7,882	15,779	22,188	21,025
Indonesia	15,830	21,498	18,562	15,244	17,100
Philippines	3,160	4,593	4,941	8,877	16,321
Vietnam	3,681	6,296	9,511	12,547	14,438
Nigeria	5,873	10,356	10,584	18,615	12,953
Uzbekistan	17,033	9,877	10,677	7,623	9,674
Thailand	15,935	13,271	10,778	12,599	8,505
Turkey	3,121	6,278	6,587	9,311	8,017
Australia	6,849	7,599	10,029	8,204	7,304
Subtotal	112,775	113,260	128,127	154,205	146,713
All other	125,030	133,976	150,545	139,886	134,189
Total	237,805	247,236	278,672	294,091	280,902

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

Note.-- These data may be overstated as HTS 7311.00 may contain products outside the scope of these reviews.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7311.00.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Based on best available information, HPSCs from China has not been subject to other antidumping or countervailing duty investigations outside the United States.

THE GLOBAL MARKET

Table I-7 presents the largest global export sources of HPSCs during 2012-16. China continued to lead HPSCs exports (by value) in 2016. Norris reported in its response to the notice of institution that Chinese producers have participated in the Canadian market and in 2015 underbid Norris. The U.S. domestic producer also noted a similar situation in Trinidad.

Table I-7

HPSCs: Global exports by major sources, 2012-16

Item	Calendar year				
	2012	2013	2014	2015	2016
	Value (*1,000 dollars*)				
China	518,719	515,023	573,100	578,997	519,946
United States	301,173	385,492	399,851	388,136	306,847
Korea	258,169	257,299	305,826	268,730	221,368
Czech Republic	210,702	226,346	227,416	204,879	217,129
Italy	292,666	309,641	231,163	201,660	180,194
Thailand	152,089	160,218	220,180	187,941	206,500
Germany	265,935	246,668	240,960	181,339	167,389
Turkey	119,968	169,437	142,535	140,608	129,098
Poland	106,812	100,703	111,843	105,121	86,169
Austria	125,196	118,676	107,267	102,300	103,518
Subtotal	2,351,432	2,489,505	2,560,143	2,359,714	2,138,161
All other	1,244,727	1,255,205	1,157,210	975,616	960,253
Total	3,596,159	3,744,710	3,717,354	3,335,410	3,098,414

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

Note.--These data may be overstated as HTS 7311.00 may contain products outside the scope of these reviews.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7311.00. Retrieved July 15, 2017.

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
82 FR 20373, May 1, 2017	*High Pressure Steel Cylinders from China: Institution of Five-Year Reviews*	https://www.gpo.gov/fdsys/pkg/FR-2017-05-01/pdf/2017-08509.pdf
82 FR 20314, May 1, 2017	*High Pressure Steel Cylinders from the People's Republic of China: Initiation of Five-Year ("Sunset") Reviews*	https://www.gpo.gov/fdsys/pkg/FR-2017-05-01/pdf/2017-08731.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Item	Norris Cylinder Company Quantity=units; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per unit
Nature of operation	✓
Statement of intent to participate	✓
Statement of likely effects of revoking the order	✓
U.S. producer list	✓
U.S. importer/foreign producer list	✓
List of 3-5 leading purchasers	✓
List of sources for national/regional prices	✓
Production:	
Quantity	***
Percent of total reported	***
Capacity	***
Commercial shipments:	
Quantity	***
Value	***
Internal consumption:	
Quantity	***
Value	***
Net sales	***
COGS	***
Gross profit or (loss)	***
SG&A expenses (loss)	***
Operating income/(loss)	***
Changes in supply/demand	✓

Note.—The production, capacity, and shipment data presented are for calendar year 2016. The financial data are for fiscal year ended December 31, 2016.

✓ = response provided; **×** = response not provided; **NA** = not applicable; ? = indicated that the information was not known.

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS

Table C-1
HPSCs: Summary data concerning the U.S. market, 2009-11

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APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following five firms as the top purchasers of HPSCs: ***. Purchaser questionnaires were sent to these five firms and one firm (***) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce HPSCs that affected the availability of HPSCs in the U.S. market or in the market for HPSCs in China since 2012?

   b.) Do you anticipate any changes in technology; production methods; or development efforts to produce HPSCs that will affect the availability of HPSCs in the U.S. market or in the market for HPSCs in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.

2. a.) Have any changes occurred in the ability to increase production of HPSCs (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of HPSCs in the U.S. market or in the market for HPSCs in China since 2012?

   b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of HPSCs in the U.S. market or in the market for HPSCs in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.

3. a.) Have any changes occurred in factors related to the ability to shift supply of HPSCs among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of HPSCs in the U.S. market or in the market for HPSCs in China since 2012?

   b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of HPSCs in the U.S. market or in the market for HPSCs in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.

4. a.) Have there been any changes in the end uses and applications of HPSCs in the U.S. market or in the market for HPSCs in China since 2012?

   b.) Do you anticipate any changes in the end uses and applications of HPSCs in the U.S. market or in the market for HPSCs in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	Yes. Increased use of composite cylinders for use in select applications.

5. a.) Have there been any changes in the existence and availability of substitute products for HPSCs in the U.S. market or in the market for HPSCs in China since 2012?

   b.) Do you anticipate any changes in the existence and availability of substitute products for HPSCs in the U.S. market or in the market for HPSCs in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	Yes. New composite manufacturing facilities are starting and expected to start manufacturing in the near future.

6. a.) Have there been any changes in the level of competition between HPSCs produced in the United States, HPSCs produced in China, and such merchandise from other countries in the U.S. market or in the market for HPSCs in China since 2012?

   b.) Do you anticipate any changes in the level of competition between HPSCs produced in the United States, HPSCs produced in China, and such merchandise from other countries in the U.S. market or in the market for HPSCs in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	Yes. ***.	No.

7. a.) Have there been any changes in the business cycle for HPSCs in the U.S. market or in the market for HPSCs in China since 2012?

   b.) Do you anticipate any changes in the business cycle for HPSCs in the U.S. market or in the market for HPSCs in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No. Demand for high pressure steel cylinders will fluctuate with the market.	No. Demand for high pressure steel cylinders will fluctuate with the market.