

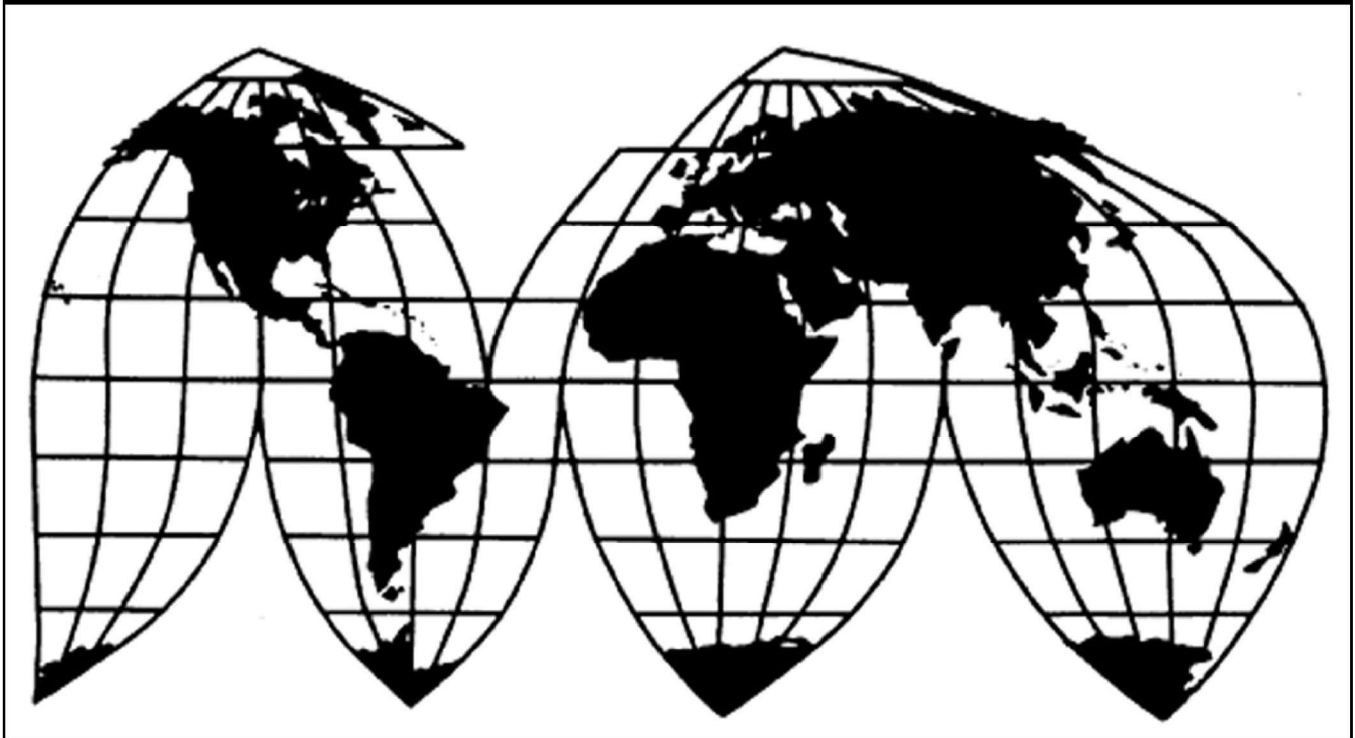
# **Large Diameter Welded Pipe from China and India**

Investigation Nos. 701-TA-593-594 and 731-TA-1402 and 1404 (Final)

**Publication 4859**

**January 2019**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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# CONTENTS

	Page
<b>Determinations.....</b>	<b>1</b>
<b>Views of the Commission.....</b>	<b>3</b>
<b>Separate and dissenting views of Commissioner Merideth M. Broadbent .....</b>	<b>81</b>
<b>Separate views of Commissioner Jason Kearns .....</b>	<b>97</b>
<b>Part I: Introduction .....</b>	<b>I-1</b>
Background.....	I-1
Statutory criteria and organization of the report .....	I-2
Statutory criteria .....	I-2
Organization of report.....	I-3
Market summary.....	I-3
Summary data and data sources.....	I-4
Previous and related investigations.....	I-4
Commission proceedings.....	I-4
Section 232 investigation (Commerce) .....	I-6
Nature and extent of subsidies and sales at LTFV .....	I-8
Subsidies .....	I-8
Sales at LTFV .....	I-11
The subject merchandise .....	I-12
Commerce’s scope .....	I-12
Tariff treatment.....	I-14
Section 232 and 301 tariff treatment.....	I-14
The product.....	I-15
Description and applications.....	I-15
Manufacturing processes .....	I-21
Domestic like product issues.....	I-27
Line and structural pipe.....	I-27
Stainless steel pipe .....	I-32

## CONTENTS

	Page
<b>Part II: Conditions of competition in the U.S. market.....</b>	<b>II-1</b>
U.S. market characteristics.....	II-1
U.S. purchasers.....	II-1
Channels of distribution .....	II-3
Geographic distribution .....	II-3
Supply and demand considerations .....	II-4
U.S. supply .....	II-4
U.S. demand .....	II-10
Substitutability issues.....	II-16
Lead times .....	II-16
Knowledge of country sources .....	II-16
Factors affecting purchasing decisions.....	II-17
Comparison of U.S.-produced and imported LDWP .....	II-26
Elasticity estimates.....	II-31
U.S. supply elasticity .....	II-31
U.S. demand elasticity .....	II-31
Substitution elasticity .....	II-31
<b>Part III: U.S. producers' production, shipments, and employment .....</b>	<b>III-1</b>
U.S. producers .....	III-1
U.S. production, capacity, and capacity utilization.....	III-4
LDW line pipe.....	III-5
LDW structural pipe.....	III-6
U.S. producers' U.S. shipments and exports.....	III-7
U.S. producers' inventories.....	III-8
U.S. producers' imports and purchases .....	III-9
U.S. employment, wages, and productivity .....	III-9

# CONTENTS

	Page
<b>Part IV: U.S. imports, apparent U.S. consumption, and market shares .....</b>	<b>IV-1</b>
U.S. importers.....	IV-1
U.S. imports.....	IV-4
Nonsubject imports.....	IV-8
U.S. imports by current and former U.S. producers .....	IV-9
Negligibility.....	IV-10
Cumulation considerations .....	IV-13
Fungibility .....	IV-13
Geographical markets .....	IV-19
Presence in the market .....	IV-22
Apparent U.S. consumption .....	IV-26
U.S. market shares .....	IV-28
<b>Part V: Pricing data.....</b>	<b>V-1</b>
Factors affecting prices .....	V-1
U.S. inland transportation costs.....	V-2
Pricing practices .....	V-2
Pricing methods.....	V-2
Sales terms and discounts.....	V-3
Price leadership .....	V-3
Bid process.....	V-4
Bid data .....	V-5
Lost sales lost revenue .....	V-8
<b>Part VI: Financial experience of U.S. producers .....</b>	<b>VI-1</b>
Background.....	VI-1
Operations on LDWP .....	VI-2
Capital expenditures and research and development expenses.....	VI-14
Assets and return on assets .....	VI-16
Capital and investment .....	VI-17

# CONTENTS

	Page
<b>Part VII: Threat considerations and information on nonsubject countries.....</b>	<b>VII-1</b>
The industry in Canada.....	VII-3
Changes in operations.....	VII-3
Operations on LDWP.....	VII-4
Alternative products.....	VII-5
Exports.....	VII-5
The industry in China.....	VII-8
Exports.....	VII-8
The industry in Greece.....	VII-11
Changes in operations.....	VII-11
Operations on LDWP.....	VII-11
Alternative products.....	VII-12
Exports.....	VII-13
The industry in India.....	VII-15
Changes in operations.....	VII-15
Operations on LDWP.....	VII-16
Alternative products.....	VII-17
Exports.....	VII-17
The industry in Korea.....	VII-20
Changes in operations.....	VII-20
Operations on LDWP.....	VII-21
Alternative products.....	VII-21
Exports.....	VII-22
The industry in Turkey.....	VII-25
Changes in operations.....	VII-26
Operations on LDWP.....	VII-26
Alternative products.....	VII-27
Exports.....	VII-28



# CONTENTS

Page

## **Part VII: Threat considerations and information on nonsubject countries..... Continued**

Subject countries combined.....	VII-29
U.S. inventories of imported merchandise .....	VII-31
U.S. importers' outstanding orders.....	VII-31
Antidumping or countervailing duty orders in third-country markets .....	VII-31
Information on nonsubject countries .....	VII-33

## **Appendixes**

A. <i>Federal Register</i> notices.....	A-1
B. List of hearing witnesses.....	B-1
C. Summary data .....	C-1
D. Domestic like product considerations .....	D-1
E. Narratives comparing domestic like product: LDW line pipe vs LDW structural pipe ...	E-1
F. Bid data .....	F-1
G. Foreign industry data: LDW line and structural pipe.....	G-1

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. 701-TA-593 and 594 and 731-TA-1402 and 1404 (Final)  
Large diameter welded pipe from China and India

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject investigations, the United States International Trade Commission (“Commission”) determines,<sup>2</sup> pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially injured by reason of imports of carbon and alloy (other than stainless) steel large diameter welded line pipe from India provided for in subheadings 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50 of the Harmonized Tariff Schedule of the United States (“HTSUS”) that have been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”) and subsidized by the government of India. The Commission also determines that an industry in the United States is threatened with material injury by reason of LTFV imports of carbon and alloy (other than stainless) steel large diameter welded line pipe from China. Further, the Commission terminates the countervailing duty investigation on carbon and alloy (other than stainless) steel large diameter welded line pipe from China.

The Commission also determines that an industry in the United States is materially injured by reason of imports of carbon and alloy (other than stainless) steel large diameter welded structural pipe from China provided for in subheadings 7305.31.40, 7305.31.60, 7305.39.10, and 7305.39.50 of the HTS that have been found by Commerce to be sold in the United States at LTFV and subsidized by the government of China. In addition, the Commission terminates the antidumping and countervailing duty investigations on carbon and alloy (other than stainless) steel large diameter welded structural pipe from India.

Finally, the Commission determines that an industry in the United States is not materially injured or threatened with material injury by reason of imports of stainless steel large diameter welded pipe from China and India provided for in subheading 7305.31.60 of the HTSUS, that have been found by Commerce to be sold in the United States at LTFV, and to be subsidized by the governments of China and India.

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

<sup>2</sup> Commissioner Meredith M. Broadbent dissenting with respect to the affirmative determinations regarding imports of carbon and alloy (other than stainless) steel large diameter welded line pipe from China and India. Commissioner Jason E. Kearns voting in the affirmative with respect to carbon and alloy (other than stainless) steel large diameter welded pipe from China and India.

## BACKGROUND

The Commission, pursuant to sections 705(b) and 735(b) of the Act (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)), instituted these investigations effective January 17, 2018, following receipt of a petition filed with the Commission and Commerce by American Cast Iron Pipe Company (Birmingham, Alabama), Berg Steel Pipe Corp. (Panama City, Florida), Berg Spiral Pipe Corp. (Mobile, Alabama), Dura-Bond Industries, Inc. (Export, Pennsylvania), Skyline Steel (Newington, Virginia), and Stupp Corporation (Baton Rouge, Louisiana). The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of large diameter welded pipe from China, India, Korea, and Turkey were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and that imports of large diameter welded pipe from Canada, China, Greece, India, Korea, and Turkey were being sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on September 6, 2018 (83 FR 45279).<sup>3</sup> The hearing was held in Washington, DC, on November 6, 2018, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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<sup>3</sup> Due to the lapse in appropriations and ensuing cessation of Commission operations, all import injury investigations conducted under authority of Title VII of the Tariff Act of 1930 accordingly have been tolled pursuant to 19 U.S.C. §§ 1671d(b)(2), 1673d(b)(2).

## Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of large diameter welded carbon and alloy steel line pipe (“LDW line pipe”) from India found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value and subsidized by the government of India.<sup>1</sup> We find that an industry in the United States is threatened with material injury by reason of imports of LDW line pipe from China that are sold in the United States at less than fair value.<sup>2</sup> We find that imports of LDW line pipe from China that are subsidized by the government of China are negligible and terminate that investigation with respect to LDW line pipe.<sup>3</sup>

We further determine that an industry in the United States is materially injured by reason of imports of large diameter welded carbon and alloy steel structural pipe (“LDW structural pipe”) from China found by Commerce to be sold in the United States at less than fair value and subsidized by the government of China. We find that imports of LDW structural pipe from India that are sold in the United States at less than fair value and subsidized by the government of India are negligible and terminate those investigations with respect to LDW structural pipe.

We also determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of large diameter welded stainless steel pipe (“stainless steel LDW pipe”) from China and India sold in the United States at less than fair value and subsidized by the governments of China and India.

### I. Background

These investigations resulted from petitions filed on January 17, 2018, alleging that an industry in the United States is materially injured and threatened with material injury by reason of imports of less-than-fair-value (“LTFV”) large diameter welded pipe (“LDWP”) from Canada, China, Greece, India, Korea, and Turkey and by reason of imports of LDWP subsidized by the

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<sup>1</sup> Commissioner Broadbent determines that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of LDW line pipe from India found by Commerce to be sold in the United States at less than fair value and subsidized by the government of India. *See Separate and Dissenting Views of Commissioner Meredith M. Broadbent.*

<sup>2</sup> Commissioner Broadbent determines that an industry in the United States is not threatened with material injury by reason of imports of LDW line pipe from China found by Commerce to be sold in the United States at less than fair value. *See Separate and Dissenting Views of Commissioner Meredith M. Broadbent.*

<sup>3</sup> Commissioner Jason E. Kearns finds that LDW line pipe and LDW structural pipe are a single domestic like product and determines that the domestic industry producing these products is materially injured by reason of subject imports from China and India sold in the United States at less than fair value and subsidized by the governments of China and India. *See Separate Views of Commissioner Jason E. Kearns.*

governments of China, India, Korea, and Turkey.<sup>4</sup> Petitioners are nine domestic producers of LDWP: American Cast Iron Pipe Company; Berg Steel Pipe Corp./Berg Spiral Pipe Corp.; Dura-Bond Industries; Skyline Steel; Stupp Corporation; Greens Bayou Pipe Mill, LP; JSW Steel (USA) Inc.; Trinity Products LLC; and Welspun Tubular LLC (collectively, “domestic producers” or “petitioners”).<sup>5</sup> Petitioners submitted joint prehearing and posthearing briefs and final comments, and witnesses from each of the petitioning firms appeared at the hearing.

Several respondents or groups of respondents appeared at the hearing and submitted prehearing and posthearing briefs and final comments.

- Evraz Inc. NA (“Evraz”), a producer and exporter of the subject merchandise in Canada;
- Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and Borusan Istikbal Ticaret T.A.S., producers and exporters of the subject merchandise in Turkey, and Borusan Mannesmann Pipe U.S., Inc. an importer of the subject merchandise (collectively, “Borusan”);
- Corinth Pipeworks Pipe Industry S.A., a producer and exporter of the subject merchandise in Greece and CPW America Co., an importer of the subject merchandise (collectively, “Corinth”); and
- Erciyas Celik Boru Sanayi A.S., Emek Boru Makina Sanayi ve Ticaret, A.S., Umran Celik Boru Sanayii A.S., Ozbal Celik Boru Sanayi ticaret ve Taahhut A.S., producers and exporters of the subject merchandise in Turkey, the Istanbul Minerals and Metals Exporters Association and its members, and the Turkish Steel Exporters’ Association (Çelik İhracatçıları Birliği, referred to as “ÇİB”) and its members (collectively, the “Turkish Producers and Exporters”).<sup>6</sup>

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<sup>4</sup> Although the petitions for the antidumping duty and countervailing duty investigations for the six countries were filed on the same day, the investigations became staggered when Commerce issued only its aligned final countervailing duty and antidumping duty determinations regarding subject imports of LDWP from China and India, thereby necessitating earlier final Commission determinations in the investigations regarding China and India. Commerce’s final determinations concerning subject imports from the other subject countries (Canada, Greece, Korea, and Turkey) are expected on February 19, 2019. Pursuant to the statutory provision on staggered investigations (19 U.S.C. § 1677(7)(G)(iii)), the record for the remaining investigations is the same record as that in these current investigations regarding China and India except that the final Commerce determinations regarding Canada, Greece, Korea, and Turkey, and the parties’ final comments concerning those determinations, will be added to the record of those proceedings.

Due to the lapse in appropriations and ensuing cessation of Commission operations, all import injury investigations conducted under authority of Title VII of the Tariff Act of 1930 accordingly have been tolled pursuant to 19 U.S.C. §§ 1671d(b)(2), 1673d(b)(2).

<sup>5</sup> None of the petitioners is a producer of stainless steel LDW pipe. See Confidential Report (“CR”) (as revised by memoranda INV-QQ-142 (Nov. 29, 2018) and INV-QQ-147 (Dec. 5, 2018)) and Public Report (“PR”) at Table III-1.

<sup>6</sup> Great Lakes Dredge & Dock Company, LLC, a purchaser of LDWP, filed nonparty comments arguing that its purchases of LDWP should not be subject to antidumping or countervailing duties (Continued...)

U.S. industry data are based on the questionnaire responses of fifteen producers accounting for the vast majority of U.S. production of LDWP during January 2015-June 2018 (the period of investigation or “POI”).<sup>7</sup> U.S. import data are based on official Commerce import statistics.<sup>8</sup> The Commission received questionnaire responses from 35 U.S. importers, accounting for \*\*\* subject imports from Canada, \*\*\* percent of subject imports from China, \*\*\* percent of subject imports from Greece, \*\*\* percent of subject imports from India, \*\*\* percent of subject imports from Korea, \*\*\* percent of subject imports from Turkey, and more than two-thirds of imports from nonsubject countries.<sup>9</sup> The Commission received responses to its foreign producer questionnaire from one firm in Canada, one firm in Greece, three firms in India, two firms in Korea, and five firms in Turkey; no firms in China provided a response to the questionnaire.<sup>10</sup> These firms’ exports to the United States accounted for approximately \*\*\* percent of exports to the United States from Canada, \*\*\* percent from Greece, \*\*\* percent from India, \*\*\* percent from Korea, and \*\*\* percent from Turkey.<sup>11</sup>

## II. Domestic Like Product

### A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the “domestic like product” and the “industry.”<sup>12</sup> Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>13</sup> In turn, the Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”<sup>14</sup>

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(...Continued)

because they fall under an exemption at 19 U.S.C. § 1677(20) for products used by the Department of Defense.

<sup>7</sup> CR at I-4 and III-1; PR at I-3 and III-1.

<sup>8</sup> CR at I-5; PR at I-14.

<sup>9</sup> CR at I-4 and IV-1; PR at I-3 and IV-1. The official import statistics include U.S. import data under the following HTS statistical reporting numbers: 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000.

<sup>10</sup> CR at VII-3, VII-13, VII-16, VII-23, VII-31, VII-38; PR at VII-3, VII-8, VII-11, VII-15, VII-20, VII-25.

<sup>11</sup> CR at I-5; PR at I-4.

<sup>12</sup> 19 U.S.C. § 1677(4)(A).

<sup>13</sup> 19 U.S.C. § 1677(4)(A).

<sup>14</sup> 19 U.S.C. § 1677(10).

The decision regarding the appropriate domestic like product in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.<sup>15</sup> No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.<sup>16</sup> The Commission looks for clear dividing lines among possible like products and disregards minor variations.<sup>17</sup> Although the Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,<sup>18</sup> the Commission determines what domestic product is like the imported articles Commerce has identified.<sup>19</sup>

## **B. Product Description**

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

welded carbon and alloy steel pipe (including stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling.

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<sup>15</sup> See, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. See *Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

<sup>16</sup> See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

<sup>17</sup> *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

<sup>18</sup> See, e.g., *USEC, Inc. v. United States*, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

<sup>19</sup> *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Cleo*, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); *Torrington*, 747 F. Supp. at 748-52 (affirming the Commission’s determination defining six like products in investigations in which Commerce found five classes or kinds).



Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of this investigation, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope large diameter welded pipe.<sup>20</sup>

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<sup>20</sup> *Large Diameter Welded Pipe From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 Fed. Reg. 56816, 56817 (Nov. 14, 2018); *Large Diameter Welded Pipe From India: Final Determination of Sales at Less Than Fair Value*; 2017, 83 Fed. Reg. 56811, 56813 (Nov. 14, 2018); *Countervailing Duty Investigation of Large Diameter Welded Pipe From the People's Republic of China: Final Affirmative Determination*, 83 Fed. Reg. 56804, 56805 (Nov. 14, 2018); *Countervailing Duty Investigation of Large Diameter Welded Pipe From India: Final Affirmative Determination*, 83 Fed. Reg. 56819, 56821 (Nov. 14, 2018).

Commerce noted that “the large diameter welded pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.” *Id.*

Commerce also noted that products covered by certain existing antidumping or countervailing duty orders on Korea and Turkey are not covered by the scope of these investigations as follows:

Excluded from the countervailing duty investigation against Turkey are any products covered by the existing countervailing duty order on welded line pipe from the Republic of Turkey. See *Welded Line Pipe from the Republic of Turkey: Countervailing Duty Order*, 80 FR 75054 (December 1, 2015). Excluded from the antidumping duty investigations against Korea and Turkey are any products covered by the existing antidumping duty orders on welded line pipe  
(Continued...)

Most LDWP is produced to American Petroleum Institute (“API”) standards as LDW line pipe or American Society for Testing and Materials (“ASTM”) standards as LDW structural pipe.<sup>21</sup> LDW line pipe is primarily used for the conveyance of oil and gas in a pipeline.<sup>22</sup> LDW structural pipe is used as structural support or for load-bearing purposes. Its structural applications include piling, structural supports, sign poles, bollards, columns, and fencing.<sup>23</sup>

The scope language explicitly includes stainless steel LDW pipe.<sup>24</sup> Stainless steel LDW pipe is used in corrosive environments for digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines such as those in breweries, paper mills, and general food-processing facilities.<sup>25</sup>

## **C. Arguments of the Parties**

### **1. Petitioners**

Petitioners argue that the Commission should define a single domestic like product that is coextensive with the scope of these investigations. Petitioners argue there is no clear dividing line between LDWP produced for oil and gas conveyance and structural uses. Petitioners assert that a portion of structural pipe made in the United States is manufactured to API standards and that some is originally intended to meet API standards for oil and gas applications but due to not meeting the applicable requirements, was downgraded to LDW structural pipe.<sup>26</sup> Because of this shared use, petitioners argue that LDWP used for oil and gas is somewhat interchangeable with pipe used for structural applications.<sup>27</sup> Petitioners also

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(...Continued)

from Korea and Turkey, respectively. *See* Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders, 80 FR 75056 (December 1, 2015). Also excluded from the antidumping duty investigation against Korea are any products covered by the existing antidumping order on welded ASTM A-312 stainless steel pipe from Korea. *See* Welded ASTM A-312 Stainless Steel Pipe from South Korea: Antidumping Duty Order, 57 FR 62300 (December 30, 1992).

CR at I-16; PR at I-13.

<sup>21</sup> CR at I-23 to I-24; PR at I-18 to I-19.

<sup>22</sup> CR at I-19, I-22, and I-23; PR at I-14 and I-19.

<sup>23</sup> CR at I-18 to I-19 and I-24 to I-25; PR at I-14 to I-15 and I-19.

<sup>24</sup> When the petitions were filed, the scope language did not explicitly include stainless steel LDW pipe. *See* Petition at 7-8. During the preliminary phase of the investigations, however, petitioners indicated their intention to include stainless steel LDW pipe products within the scope of the investigations. *See* Letter from T. Brightbill to W. Ross and L. Barton (January 26, 2018) at 5 (“The scope does not exclude stainless steel LDWP.”).

<sup>25</sup> CR at I-43 to I-44; PR at I-32.

<sup>26</sup> Petitioners’ Posthearing Brief at 3-4, Exhibit 1 at 8-9.

<sup>27</sup> Petitioners’ Prehearing Brief at 8-9.

emphasize that the same three welding production processes – electric resistance welding (“ERW”), helical submerged arc welding (“HSAW”), and longitudinal submerged arc welding (“LSAW”) – are used to make both LDW structural and LDW line pipe.<sup>28</sup> Petitioners did not address whether stainless steel should be a separate domestic like product.

## 2. Respondents

*LDW Stainless Steel Pipe vs. Carbon and Alloy LDWP.* Borusan and the Turkish Producers and Exporters argue that stainless LDWP should be defined to be a separate domestic like product.<sup>29</sup> They observe that stainless steel differs markedly in its metallurgy from the carbon and alloy steels used in other LDWP. They assert that stainless steel LDW pipe is used in highly corrosive environments (*e.g.*, high sulfur content crude oil and gas gathering and chemical plants) where carbon and alloy LDWP does not provide sufficient resistance to corrosion. They further claim that there is no interchangeability in uses as stainless steel LDW pipe has specialized uses; that stainless steel LDW pipe is priced much higher than other LDWP; and that it is produced in separate facilities by different producers that do not produce carbon and alloy LDWP.<sup>30</sup>

*LDW Line Pipe vs. LDW Structural Pipe.* Borusan, Evraz, and Turkish Producers and Exporters assert that LDW structural pipe within the scope of the investigations should be defined to be a separate domestic like product from LDW line pipe that is also within the scope.<sup>31</sup> They argue that a major distinction is use; LDW line pipe is used for the conveyance of oil, gas and other liquids while LDW structural pipe is used for piling and for support in construction projects.<sup>32</sup> They additionally point out that LDW structural pipe is made to less-demanding ASTM specifications than LDW line pipe, which is produced to more stringent API specifications required for use in oil and gas transmission. They further argue that LDW line pipe is made from higher grades of steel than LDW structural pipe, and that LDW line pipe requires additional testing, which makes the manufacturing process different.<sup>33</sup>

### D. Domestic Like Product Analysis

In our preliminary determinations, we defined a single domestic like product and indicated our intention to gather additional information and examine the issue further in any

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<sup>28</sup> Petitioners’ Prehearing Brief at 8-12.

<sup>29</sup> Turkish Producers and Exporters’ Prehearing Brief at 9-10; Borusan’s Prehearing Brief at 11 n.47; Turkish Producers and Exporters’ Posthearing Brief at 6.

<sup>30</sup> Turkish Producers and Exporters’ Prehearing Brief at 9-10; Borusan’s Prehearing Brief at 11 n.47; Turkish Producers and Exporters’ Posthearing Brief at 6.

<sup>31</sup> Turkish Producers and Exporters’ Prehearing Brief at 4; Borusan’s Prehearing Brief at 12-14; Evraz’ Prehearing Brief at 8-10.

<sup>32</sup> Turkish Producers and Exporters’ Prehearing Brief at 4; Borusan’s Prehearing Brief at 12-14; Evraz’ Prehearing Brief at 8-10.

<sup>33</sup> Borusan’s Prehearing Brief at 16-17; Turkish Producers and Exporters’ Prehearing Brief at 6-7; Evraz’s Prehearing Brief at 13-15.

final phase of these investigations.<sup>34</sup> As explained below, based on the more developed record in the final phase of these investigations, we define three domestic like products: LDW line pipe, LDW structural pipe, and stainless steel LDW pipe.<sup>35</sup>

### **1. Whether Stainless Steel LDW Pipe Should be Defined to be a Separate Domestic Like Product**

We first examine whether stainless steel LDW pipe should be defined as a separate domestic like product from carbon and alloy LDWP. The information in the record of these investigations indicates that there is a clear dividing line between stainless steel LDW pipe and carbon and alloy LDWP.<sup>36</sup>

*Physical Characteristics and Uses.* The record indicates that stainless steel LDW pipe is produced from stainless steel for its high-chrome chemistry and corrosion-resistant properties. Other LDWP within the scope definition is produced from carbon and alloy steel and does not have the same corrosion-resistant properties as stainless steel LDW pipe.<sup>37</sup>

Stainless steel LDW pipe is typically certified to ASTM specifications such as A169, A312, and A358, according to responding U.S. producers.<sup>38</sup> Stainless steel LDW pipe is used to transport liquids in highly corrosive or high-temperature environments.<sup>39</sup> Stainless steel LDW pipe's applications can include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines such as those used in breweries, paper mills, and general food-processing facilities.<sup>40</sup> These uses are distinct from those of LDW line pipe (transmission of oil and gas) and LDW structural pipe (construction and piling).

*Manufacturing Facilities, Production Processes and Employees.* Stainless steel LDW pipe requires specialized manufacturing facilities and processes. It is not typically produced in facilities designed for the production of carbon and alloy steel LDW pipe.<sup>41</sup> Stainless steel LDW

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<sup>34</sup> *Large Diameter Welded Pipe from Canada, China, Greece, India, Korea, and Turkey*, Inv. Nos. 701-TA-593-596 and 731-TA-1401-1406 (Preliminary), USITC Pub. 4768 at 8-10 (March 2018) ("USITC Pub. 4768").

<sup>35</sup> Commissioner Kearns defines two domestic like products: carbon and alloy LDWP and stainless steel LDWP. He joins section II.D.1 below.

<sup>36</sup> In its preliminary determinations, the Commission indicated that it was too late to collect information on stainless steel LDW pipe and urged the parties to comment on the collection of information concerning stainless steel LDW pipe in any final phase investigations. See USITC Pub. 4768 at 11 n.54. Parties in their comments on the draft questionnaires did not ask for the collection of additional information on stainless steel LDW pipe. While respondents raised the issue of defining stainless steel LDW pipe as a separate domestic like product in their prehearing and posthearing briefs, petitioners did not address this issue.

<sup>37</sup> CR at I-20, I-43, I-44; PR at I-18, I-19 and I-32.

<sup>38</sup> CR at I-43; PR at I-32.

<sup>39</sup> Turkish Producers and Exporters' Posthearing Brief at 6-7.

<sup>40</sup> CR at I-44; PR at I-32.

<sup>41</sup> Turkish Producers and Exporters' Posthearing Brief at 7.

pipe is produced by different firms than those producing other LDWP.<sup>42</sup> Only three U.S. producers reported currently manufacturing stainless steel LDW pipe.<sup>43</sup>

*Channels of Distribution.* The majority of stainless steel LDW pipe is sold to distributors, unlike carbon and alloy LDWP, which is primarily sold to end users.<sup>44</sup>

*Interchangeability.* There is limited interchangeability between stainless steel LDW pipe and other LDWP produced from carbon and alloy steel because LDWP that is not stainless steel cannot be used in corrosive environments.<sup>45</sup> The record also indicates that stainless steel LDW pipe is not used in the same applications as LDW line pipe that is made from carbon and alloy steel.<sup>46</sup>

*Producer and Customer Perceptions.* There is limited information pertaining to perceptions of producers and customers. Respondents state that different customer perceptions of the suitability of carbon and alloy LDWP and stainless steel LDW pipe match the difference in uses.<sup>47</sup>

*Price.* Stainless steel LDW pipe is priced several times higher than carbon and alloy LDWP.<sup>48</sup>

*Conclusion.* The record indicates that there are significant distinctions between stainless steel LDW pipe and carbon and alloy LDWP based on the factors the Commission considers when determining whether to define a separate domestic like product. Stainless steel LDW pipe has different physical characteristics and uses, manufacturing processes and facilities, channels of distribution, and prices. Stainless steel LDW pipe also has limited interchangeability with carbon and alloy LDWP. For these reasons, we define stainless steel LDW pipe to be a separate domestic like product.

## **2. Whether LDW Line Pipe and LDW Structural Pipe Should be Defined to be Separate Domestic Like Products<sup>49</sup>**

We next address whether there is a clear dividing line between the two types of carbon and alloy LDWP within the scope definition—LDW line pipe and LDW structural pipe.

*Physical Characteristics and Uses.* LDW line pipe and LDW structural pipe are tubular products produced from carbon and alloy steel. However, LDW line pipe and LDW structural pipe are produced to different specifications and differing steel grades.<sup>50</sup>

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<sup>42</sup> See CR/PR at Table I-11. We note, however, that approximately \*\*\*. See \*\*\* Questionnaire Response at II-16.

<sup>43</sup> CR at I-46; PR at I-33. One other producer of stainless steel LDW pipe, \*\*\*, provided an incomplete questionnaire response. See CR/PR at III-1 n.2.

<sup>44</sup> See CR/PR at Tables I-10, II-1.

<sup>45</sup> Turkish Producers and Exporters' Posthearing Brief at 7.

<sup>46</sup> CR at I-44; PR at I-32.

<sup>47</sup> Turkish Producers and Exporters' Prehearing Brief at 10. See also CR at I-45, PR at I-33.

<sup>48</sup> See CR/PR at Table I-12.

<sup>49</sup> Commissioner Kearns does not join this section of the Views.

<sup>50</sup> CR at I-23 to I-25; PR at I-18. See also CR/PR at Table E-1 (\*\*\*) indicate different grades of steel are required for line pipe.)

LDW line pipe is produced to stricter API 5L specifications,<sup>51</sup> which are standards for pipe designed for conveying gas, water, and oil.<sup>52</sup> API specifications indicate the strength of the steel, process of manufacture, product specification levels, heat treatment, and test pressure.<sup>53</sup> Pipelines often have specific requirements to which the LDW line pipe is engineered.<sup>54</sup> API pipe standards are generally more stringent than ASTM by requiring greater tolerances to physical stresses and more specific chemical compositions.<sup>55</sup>

LDW structural pipe, in contrast, is produced to ASTM specifications,<sup>56</sup> such as A53, A252, or A500.<sup>57</sup> The ASTM specifications primarily require minimum yield strengths.<sup>58</sup> LDW line pipe can bear multiple stencils that indicate conformance with API as well as less strict ASTM standards.<sup>59</sup>

The record indicates that LDW line pipe and LDW structural pipe have distinct uses. LDW line pipe is intended to convey liquids such as oil and gas. LDW structural pipe is used for support in construction projects and as piling.<sup>60</sup> We recognize however that pipe that does not pass testing for API certification may be downgraded and sold for structural uses.<sup>61</sup> Petitioners note that in certain instances, LDW line pipe is produced to API standards for structural uses and excess LDW line pipe or “overruns” may be sold for structural applications.<sup>62</sup>

The Commission asked domestic producers and purchasers to comment on the comparability of physical characteristics and uses for line pipe and structural pipe. Ten of 14 responding domestic producers indicated that line pipe and structural pipe are “somewhat” or “never” comparable.<sup>63</sup> Twenty-one of 27 responding purchasers indicated that the physical characteristics and uses of line pipe and structural pipe are “never” comparable.<sup>64</sup> \*\*\*, a purchaser of both line pipe and structural pipe, commented that “[l]ine pipe exceeds all aspects of structural pipe; pressure tested, greater dimensional control, greater quality control.”<sup>65</sup>

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<sup>51</sup> The API pipe standards that apply to LDW line pipe were developed by the American Petroleum Institute for pipe and tube products used in the natural gas and oil industries. CR at I-23 to I-25; Tables E-1 and E-2; PR at I-18; CR/PR at Tables E-1 and E-2.

<sup>52</sup> CR at I-23; PR at I-18. LDWP does not include pipe manufactured to American Water Works Association (AWWA) standards for water and sewage pipe. CR at I-15, PR at I-12.

<sup>53</sup> CR at I-23; PR at I-18.

<sup>54</sup> Hearing Tr. at 184 (Winkler).

<sup>55</sup> CR at I-23 to I-25; PR at I-18.

<sup>56</sup> ASTM standards, such as those that apply to LDW structural pipe, were developed by ASTM International, an international organization that develops voluntary technical standards for a range of products, materials, and systems.

<sup>57</sup> CR at I-24; PR at I-18.

<sup>58</sup> CR at I-24; PR at I-18.

<sup>59</sup> CR at I-24; PR at I-18.

<sup>60</sup> CR at I-16, I-19; PR at I-13, I-14.

<sup>61</sup> Hearing Tr. at 96 (Noland).

<sup>62</sup> Petitioners’ Prehearing Brief at 7-8; Petitioners’ Posthearing Brief, Exhibit 1 at 5.

<sup>63</sup> CR/PR at Table I-6.

<sup>64</sup> CR/PR at Table I-6.

<sup>65</sup> CR/PR at Table E-2.

*Manufacturing Facilities, Production Processes, and Employees.* The evidence concerning this factor is mixed. Both LDW line pipe and LDW structural pipe are produced by the same manufacturing processes: ERW, HSAW, and LSAW.<sup>66</sup> Production of LDW line pipe requires additional steps such as hydrostatic testing and X-ray examination of the weld in order to detect any defects; additional “finishing lines” are required for production of LDW line pipe to meet API standards.<sup>67</sup> Domestic producers tend to focus on producing either LDW line pipe or LDW structural pipe.<sup>68</sup> The record indicates that LDW line pipe producers do not intentionally produce line pipe to be sold as structural pipe; rather, such sales occur when line pipe does not satisfy required specifications or there are overruns.<sup>69</sup> For instance, domestic producer Stupp does not \*\*\*,<sup>70</sup> yet \*\*\* percent of its production was sold as LDW structural pipe during the POI.<sup>71</sup> While LDW line pipe producers can sell LDW line pipe that has been downgraded as structural pipe, the majority of LDW structural pipe sold in the U.S. market during the POI was produced as LDW structural pipe and was not downgraded LDW line pipe.<sup>72</sup>

Seven of 14 responding domestic producers indicated that LDW line pipe and LDW structural pipe are “somewhat” or “never” comparable with respect to manufacturing facilities, processes, and employees.<sup>73</sup> Twelve of 18 responding purchasers indicated that they are “never” or “somewhat” comparable.<sup>74</sup> A purchaser of both LDW line pipe and LDW structural pipe (\*\*\*) commented that “\*\*\*.”<sup>75</sup>

*Channels of Distribution.* The record indicates that both LDW structural pipe and LDW line pipe are sold to end users for specific projects, but the purchasers generally do not overlap.<sup>76</sup> However, a much higher portion of U.S. shipments of LDW structural pipe than U.S. shipments of LDW line pipe are sold to distributors.<sup>77</sup> Conversely, a higher proportion of U.S. shipments of LDW line pipe were to end users.<sup>78</sup>

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<sup>66</sup> CR/PR at Table I-5; CR at I-27, I-40; PR at I-20, I-30.

<sup>67</sup> CR/PR at Table E-1 (“\*\*\*\*”) (Berg); CR/PR at Table E-1 (\*\*\*) (Jindal, Skyline & Trinity).

<sup>68</sup> CR/PR at Table I-8. Only one firm reported that it produces comparable quantities of both structural pipe and LDW line pipe. See \*\*\*.

<sup>69</sup> Petitioners’ Prehearing Brief at 6; Petitioners’ Posthearing Brief, Exhibit 1 at 9-10.

<sup>70</sup> Petitioners’ Posthearing Brief, Exhibit 1 at 8 nn. 34, 35.

<sup>71</sup> See Stupp’s Producer Questionnaire Response at II-4a.

<sup>72</sup> Domestic producers Atlas, Greens Bayou, Skyline, and Trinity produce only LDW structural pipe. CR/PR at Table I-8. They accounted for the great majority of LDW structural pipe production during the POI. *Id.*

<sup>73</sup> CR/PR at Table I-6.

<sup>74</sup> CR/PR at Table I-6.

<sup>75</sup> CR/PR at Table E-2.

<sup>76</sup> CR/PR at Table I-7. The customers for LDW line pipe and LDW structural pipe tend to be different. CR at I-39; CR at II-2 nn.5, 6; PR at I-29, II-1 nn.5, 6; EVRAZ’s Postconference brief at 44.

<sup>77</sup> See CR/PR at Table I-7. Between \*\*\* and \*\*\* percent of shipments of LDW structural pipe were sold to distributors over the POI. CR/PR at Table C-5. For LDW line pipe, the percentage of shipments to distributors ranged from 7.3 to 21.9 percent. CR/PR at Table C-2.

<sup>78</sup> CR/PR at Table I-7.

Seven of 13 responding domestic producers indicated that LDW line pipe and LDW structural pipe are “somewhat” or “never” comparable with respect to channels of distribution.<sup>79</sup> Twelve of 16 responding purchasers indicated that the channels of distribution of line pipe and structural pipe are “somewhat” or “never” comparable.<sup>80</sup>

*Interchangeability.* The record indicates that LDW line pipe produced to API standards can be used for structural applications, but LDW structural pipe cannot be used for line pipe applications (conveyance of oil and gas).<sup>81</sup> While LDW line pipe is downgraded and sold as LDW structural pipe, such downgraded product is not LDW line pipe as it failed to meet the requirements to be sold for the conveyance of oil or gas in pipelines.

Eleven of 14 responding domestic producers indicated that LDW line pipe and LDW structural pipe are “somewhat” or “never” comparable with respect to interchangeability.<sup>82</sup> Twenty-two of 26 responding purchasers indicated that interchangeability of line pipe and structural pipe are “never” comparable.<sup>83</sup> Commenting on interchangeability, \*\*\* indicated that “\*\*\*.”<sup>84</sup>

*Producer and Customer Perceptions.* The record indicates that LDW structural pipe and LDW line pipe are perceived as separate products because of their different specifications and intended uses.<sup>85</sup> Eight of 12 responding domestic producers indicated that LDW line pipe and LDW structural pipe are “somewhat” comparable with respect to producer and customer perceptions.<sup>86</sup> Twelve of 16 responding purchasers indicated that producer and customer perceptions of line pipe and structural pipe are “never” comparable.<sup>87</sup> Several purchasers indicated that they were unfamiliar with structural pipe.<sup>88</sup> Three purchasers commented that the markets were different for LDW line pipe and LDW structural pipe.<sup>89</sup>

*Price.* Producers and purchasers indicated that LDW line pipe is typically priced higher than LDW structural pipe.<sup>90</sup> Eleven of 13 responding domestic producers indicated that LDW line pipe and LDW structural pipe are “somewhat” comparable with respect to price.<sup>91</sup> Fifteen of 18 responding purchasers indicated that the price of LDW line pipe and LDW structural pipe

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<sup>79</sup> CR/PR at Table I-6.

<sup>80</sup> CR/PR at Table I-6.

<sup>81</sup> CR at I-36, 37-38; PR at I-27 to I-28.

<sup>82</sup> CR/PR at Table I-6.

<sup>83</sup> CR/PR at Table I-6.

<sup>84</sup> CR/PR at Table E-2

<sup>85</sup> See CR/PR at Table E-2.

<sup>86</sup> CR/PR at Table I-6.

<sup>87</sup> CR/PR at Table I-6.

<sup>88</sup> CR/PR at Table E-2.

<sup>89</sup> CR/PR at Table E-2.

<sup>90</sup> See CR/PR at Tables E-1 & E-2.

<sup>91</sup> CR/PR at Table I-6.



are “never” comparable.<sup>92</sup> Net sales unit values for U.S. producers’ sales of LDW line pipe are above those for LDW structural pipe.<sup>93</sup>

*Conclusion.* The information in the record of the final phase of these investigations indicates a clear dividing line between LDW line pipe and LDW structural pipe. Responses from purchasers in particular indicate that LDW line pipe and LDW structural pipe differ significantly with respect to four domestic like product factors: physical characteristics and uses, channels of distribution, customer/producer perceptions, and price. While two factors, interchangeability and manufacturing facilities, processes and employees, could arguably support finding LDW line pipe and LDW structural pipe to be defined as a single domestic like product, even these factors show distinctions in intended use, manufacturing steps, and the investment required to conduct those steps. Moreover, any interchangeability between the two products is one way (structural pipe never substitutes for line pipe), and downgraded LDW line pipe sold as LDW structural pipe is not LDW line pipe. Finally, we recognize overlap in terms of certain production processes; however, the overlap in terms of manufacturing facilities and employees is largely a result of the downgrading of product that we have discussed. For such pipe, the fact that through the production process it no longer qualifies as LDW line pipe further demonstrates distinctions between LDW line and structural pipe rather than erases any clear dividing line. On balance, therefore, based on the record respecting each of the six factors of our traditional test, we define LDW line pipe and LDW structural pipe as separate domestic like products. Accordingly, because we have found clear dividing lines between stainless steel LDW pipe, LDW line pipe, and LDW structural pipe, we define each as a separate domestic like product.

### **III. Domestic Industry and Related Parties**

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>94</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise

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<sup>92</sup> CR/PR at Table I-6.

<sup>93</sup> See CR/PR at Table I-12 (average unit values). Compare CR/PR at Table C-2 with Table C-5 (sales values substantially higher for LDW line pipe).

<sup>94</sup> 19 U.S.C. § 1677(4)(A).

or which are themselves importers.<sup>95</sup> Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.<sup>96</sup>

We consider below whether appropriate circumstances exist to exclude related parties from each of the domestic industries corresponding to the three domestic like products.<sup>97</sup> None of the three stainless steel LDW pipe producers is a related party.<sup>98</sup>

As explained below, four domestic producers – Evraz Oregon, Jindal Tubular, Skyline, and Welspun – meet the statutory definition of a related party in the final phase of these investigations because they are related to an exporter or import subject merchandise. We discuss below whether appropriate circumstances exist to exclude any of the related party producers from the domestic industry.

Petitioners contend that no domestic producer should be excluded as a related party. They contend that Evraz Oregon stopped producing domestically and had to move production to Canada due to unfair competition from subject imports so its results should be reflected in the domestic industry data.<sup>99</sup> Evraz states that no producers should be excluded as a related party.<sup>100</sup>

*Evraz Oregon Steel Tubular.* Evraz Oregon was a producer of LDW line pipe and LDW structural pipe during the POI.<sup>101</sup> It is related to \*\*\* and \*\*\*, producers and exporters of the subject merchandise (both LDW line pipe and LDW structural pipe), through common ownership.<sup>102</sup> Its affiliates imported both LDW line pipe and LDW structural pipe from Canada during the POI. Thus, Evraz Oregon is a related party and eligible for exclusion from both the LDW line pipe and LDW structural pipe domestic industries. Evraz Oregon accounted for \*\*\*

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<sup>95</sup> 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).

<sup>96</sup> 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.

<sup>97</sup> See, e.g., *Hydrofluorocarbon Blends and Components from China*, Inv. No. 731-TA-1279 (Final) USITC Pub. 4629 at 14-15 (Aug. 2016).

<sup>98</sup> See CR/PR at Tables III-2 & III-9.

<sup>99</sup> See Petitioners' Prehearing Brief at 18; Petitioners' Posthearing Brief, Exhibit 1 at 80.

<sup>100</sup> Evraz's Posthearing Brief, Exhibit 1 at 6.

<sup>101</sup> See CR/PR at Table II-9.

<sup>102</sup> \*\*\*. \*\*\* at I-4, CR/PR at Table III-2. See 19 U.S.C. § 1677(4)(B)(ii)(IV).

percent of domestic production of LDW line pipe and \*\*\* percent of domestic production of LDW structural pipe during 2015.<sup>103</sup> It \*\*\*.<sup>104</sup>

Imports of LDW line pipe from \*\*\* by Evraz Oregon's related affiliates were \*\*\* short tons in 2015 (the equivalent of \*\*\* percent of Evraz Oregon's domestic production of LDW line pipe), \*\*\* short tons in 2016 (the equivalent of \*\*\* percent of Evraz Oregon's domestic production), and \*\*\* short tons in 2017.<sup>105</sup>

Imports of LDW structural pipe from \*\*\* by Evraz Oregon's related affiliates were \*\*\* short tons in 2015 (the equivalent of \*\*\* percent of Evraz Oregon's domestic production of LDW structural pipe), \*\*\* short tons in 2016 (the equivalent of \*\*\* percent of Evraz Oregon's domestic production), and \*\*\* short tons in 2017.<sup>106</sup> Evraz explained that its affiliates imported because of the \*\*\*.<sup>107</sup> It also indicated that there are \*\*\*.<sup>108</sup> The record does not show that it benefited from its relationship with its Canadian affiliates.<sup>109</sup>

In the final phase of these investigations, we find that Evraz Oregon's stated reasons for importing by the firm's affiliates, the fact that Evraz Oregon's Portland facility has not restarted, and \*\*\* indicate that its primary interest is in importation of subject merchandise rather than domestic production.<sup>110</sup> We therefore find appropriate that circumstances exist to exclude Evraz Oregon as a related party from both the LDW line pipe and LDW structural pipe domestic industries.

*Jindal Tubular.* Jindal Tubular is a producer of LDW line pipe and LDW structural pipe. It may be a related party because it is wholly owned by Jindal Saw Ltd., a producer of LDWP in India.<sup>111</sup> Because Jindal Saw Ltd. did not provide a foreign producer questionnaire response, it is not clear whether it is an exporter of subject LDWP. Jindal Tubular accounted for \*\*\* percent

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<sup>103</sup> Calculated from CR/PR at Tables III-9, C-2, and C-5. Evraz Oregon ceased domestic production in 2016. CR/PR at Table III-9.

<sup>104</sup> Evraz Oregon's Questionnaire at I-3b.

<sup>105</sup> Imports of LDW line pipe from \*\*\* by Evraz Oregon's related affiliates were \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. CR/PR at Table III-10.

<sup>106</sup> CR/PR at Table III-9. Imports of LDW structural pipe from Canada by Evraz Oregon's related affiliates were \*\*\* short tons in in interim 2017 and \*\*\* short tons in in interim 2018. CR/PR at Table III-9.

<sup>107</sup> Evraz Inc. NA Canada's and Canadian National Steel Corporation's Importer Questionnaire at II-4.

<sup>108</sup> Evraz Inc. NA Canada's and Canadian National Steel Corporation's Importer Questionnaire at II-4.

<sup>109</sup> Evraz Oregon's operating income to net sales ratio was \*\*\* for both LDW line pipe and LDW structural pipe. Evraz Oregon's operating income to net sales ratios on LDW line pipe production were \*\*\*. Evraz Oregon's operating income to net sales ratios on LDW structural pipe production were \*\*\*. See Evraz Oregon's Producer Questionnaire at III-9a.

<sup>110</sup> We also do not find any meaningful basis for treating Evraz Oregon differently as a LDW line pipe producer or a LDW structural pipe producer. Evraz Oregon's affiliates' \*\*\* during the POI. See CR/PR at Table III-9.

<sup>111</sup> Its questionnaire indicates that it is owned by \*\*\*. CR/PR at Table III-2. Jindal Tubular's website indicates that it is a wholly-owned subsidiary of the Indian producer, Jindal Saw Ltd., who did not provide a foreign producer questionnaire response.

of domestic production of LDW line pipe and \*\*\* percent of domestic production of LDW structural pipe in 2017.<sup>112</sup> Jindal Tubular did not import subject merchandise during the POI and supported the petitions.<sup>113</sup> The record does not show that it benefited from its relationship with Jindal Saw Ltd. and no party has advocated for its exclusion as a related party.<sup>114</sup> Given its interest in domestic production, we do not find that appropriate circumstances exist to exclude Jindal Tubular from either the LDW line pipe or LDW structural pipe industries.

*Skyline.* Skyline was the \*\*\* domestic producer of LDW structural pipe in 2017, accounting for \*\*\* percent of domestic production.<sup>115</sup> It is a related party because it imported subject merchandise during the POI. Skyline imported \*\*\* short tons of LDW structural pipe from \*\*\* in 2015 (the equivalent of \*\*\* percent of its domestic production), \*\*\* short tons of LDW structural pipe from \*\*\* in 2016 (the equivalent of \*\*\* percent of its domestic production), and \*\*\* short tons of LDW structural pipe from \*\*\* in 2017 (the equivalent of \*\*\* percent of its domestic production of LDW structural pipe).<sup>116</sup> Skyline's operating income to net sales ratio was \*\*\* to the industry average during 2015 and 2017 and \*\*\* than the industry average during 2016.<sup>117</sup> The company \*\*\* the petitions.<sup>118</sup>

The \*\*\*. There is no indication that it benefited from its limited volume of subject imports to any significant degree. Also, it \*\*\* and no party has argued that Skyline be excluded as a related party. Accordingly, we do not find that appropriate circumstances exist to exclude Skyline from the domestic industry producing LDW structural pipe.

*Welspun Tubular LLC.* Welspun Tubular was the \*\*\* largest domestic producer of LDW line pipe in 2017, accounting for \*\*\* percent of domestic production.<sup>119</sup> It imported LDW line pipe during the POI and is wholly owned by an exporter of subject merchandise in India, Welspun Corp. Ltd.<sup>120</sup> Thus, Welspun Tubular is a related party.<sup>121</sup> Welspun Tubular imported \*\*\* short tons of LDW line pipe from India in 2015 (the equivalent of \*\*\* percent of its domestic production), \*\*\* short tons of LDW line pipe from India in 2016 (the equivalent of \*\*\* percent of its domestic production), and \*\*\* short tons of LDW line pipe from India in 2017 (the

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<sup>112</sup> CR/PR at Tables I-8 & I-11.

<sup>113</sup> CR/PR at Table III-1.

<sup>114</sup> Jindal Tubular performed \*\*\* for both LDW line pipe and LDW structural pipe during the POI. It reported \*\*\* throughout the POI. Jindal Tubular's Producer Questionnaire at III-9a & III-19a.

<sup>115</sup> CR/PR at Table I-11. Skyline did not \*\*\* during the POI. Skyline's Producer Questionnaire Response at II-3a.

<sup>116</sup> CR/PR at Table III-10. Skyline did not report any imports of subject merchandise in interim 2018. *Id.*

<sup>117</sup> See Skyline Producer Questionnaire at III-19a; CR/PR at Table C-5. Skyline's operating income to net sales ratio was \*\*\*. See \*\*\*. It was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>118</sup> CR/PR at Table III-1.

<sup>119</sup> CR/PR at Table I-8. It did not report any LDW structural pipe production. CR/PR at Table III-9.

<sup>120</sup> 19 U.S.C. § 1677(4)(B).

<sup>121</sup> Welspun Tubular did not produce LDW structural pipe and Welspun India reported that it did not produce or export LDW structural pipe. See Welspun Tubular's Questionnaire Response at II-4a; Welspun India's Questionnaire Response at II-11.

equivalent of \*\*\* percent of its domestic production of LDW line pipe).<sup>122</sup> Welspun Tubular imported \*\*\* short tons of LDW line pipe from India in interim 2017 (the equivalent of \*\*\* percent of its domestic production) and \*\*\* short tons of LDW line pipe from India in interim 2018 (the equivalent of \*\*\* percent of its domestic production).<sup>123</sup>

Welspun Tubular's operating income to net sales ratio was \*\*\*.<sup>124</sup> The company \*\*\*.<sup>125</sup> It is also a petitioner in the final phase of these investigations.

The record in the final phase of these investigations shows that Welspun Tubular's imports of subject merchandise were \*\*\*.<sup>126</sup> Further, Welspun Tubular joined the petitioning coalition in the final phase, suggesting that it is committed to domestic production. No party argues for Welspun Tubular's exclusion as a related party. Accordingly, we do not find that appropriate circumstances exist to exclude Welspun Tubular from the LDW line pipe domestic industry as a related party.

We exclude Evraz Oregon as a related party from the LDW line pipe and LDW structural pipe industries for purposes of these final determinations. We thus define the domestic industry to include all domestic producers other than Evraz Oregon of each type of domestic like product in the definitions of the three domestic industries producing LDW line pipe, LDW structural pipe, and stainless steel LDW pipe.

#### **IV. Negligible Imports**

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product shall be deemed negligible if they account for less than three percent (or four percent in the case of a developing country in a countervailing duty investigation) of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition.<sup>127</sup>

The statute further provides that subject imports from a single country that comprise less than 3 percent of such total imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States.<sup>128</sup> In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative (USTR)), the statute indicates that the negligibility limits are 4 percent and 9

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<sup>122</sup> CR/PR at Table III-9.

<sup>123</sup> CR/PR at Table III-9.

<sup>124</sup> See CR/PR at Tables VI-3 & C-2. Welspun's operating income to net sales ratio was \*\*\*. *Id.*

<sup>125</sup> Welspun's Producer Questionnaire Response at I-3b.

<sup>126</sup> CR/PR at Table III-9.

<sup>127</sup> 19 U.S.C. §§ 1671d(b), 1673d(b), 1677(24)(A)(i), 1677(24)(B); see also 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

<sup>128</sup> 19 U.S.C. § 1677(24)(A)(ii).

percent, rather than 3 percent and 7 percent.<sup>129</sup> USTR has designated India to be a developing country subject to the 4 percent negligibility threshold for countervailing duty investigations.<sup>130</sup>

Additionally, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than 3 percent (4 percent for countervailing duty investigations of developing countries) of all such merchandise imported into the United States.<sup>131</sup> The Commission also assesses whether there is a potential that the aggregate volumes of subject imports from all countries with currently negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.<sup>132</sup> The threshold is 9 percent for developing countries for countervailing duty investigations.

#### **A. Preliminary Determinations**

In its preliminary determinations, the Commission found that subject imports from each subject country, except Greece, were above negligible levels. Subject imports of LDWP from Greece, however, accounted for 1.4 percent of total imports in the antidumping duty investigations for the applicable 12-month period (January 2017-December 2017) prior to filing of the petition. This level was well below the 3 percent negligibility threshold for purposes of present material injury analysis and rendered subject imports from Greece ineligible for cumulation for present material injury.<sup>133</sup>

However, the Commission considered whether subject imports had the potential to exceed the threshold for purposes of a threat analysis. The Commission found that the \*\*\*. The Commission found that the orders placed for subject imports from Greece indicated that subject imports from Greece would likely increase to the levels comparable to those observed during 2015 and 2016, when subject imports from Greece accounted for 15.0 percent and 12.2 percent, respectively, of total imports of LDWP. Accordingly, the Commission concluded that subject imports from Greece had the potential to imminently exceed 3 percent of total imports. It therefore found that subject LTFV imports from Greece were eligible to be cumulated with all other subject imports for the Commission's threat of material injury determination.<sup>134</sup>

#### **B. Arguments of the Parties**

*Petitioners.* Petitioners contend that the Commission should not terminate either the China or India investigations on the basis of negligibility.

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<sup>129</sup> 19 U.S.C. § 1677(24)(B).

<sup>130</sup> 15 C.F.R. § 2013.1.

<sup>131</sup> 19 U.S.C. § 1677(24)(A)(iv).

<sup>132</sup> 19 U.S.C. § 1677(24)(A)(iv).

<sup>133</sup> USITC Pub. 4768 at 15-16.

<sup>134</sup> USITC Pub. 4768 at 16.

For imports of LDW line pipe from China, petitioners assert that the information available to the Commission is limited because no Chinese firms responded to the Commission's questionnaire. They contend the record nevertheless shows that Chinese producers of LDWP have the ability to respond to increases in demand with large changes in the quantity of shipments of LDWP to the U.S. market.<sup>135</sup>

They also argue that the volume of LDW structural pipe imports from India, while small, increased during the POI, and the information available to the Commission, particularly with regard to future import volumes, is limited as only three Indian producers responded to the Commission's questionnaire. Given the ability to shift production between products, they claim that Indian LDW line pipe producers would shift from the production of LDW line pipe to LDW structural pipe and imminently exceed the negligibility threshold for LDW structural pipe.<sup>136</sup>

*Respondents.* Respondents present no arguments concerning negligibility other than to state that imports of LDW line pipe from China are negligible.<sup>137</sup>

### C. Analysis and Conclusions

The statute indicates that the Commission is to make its final negligibility determination in conjunction with its final injury determination.<sup>138</sup> Consequently, the only negligibility determinations before the Commission are those concerning subject LTFV and subsidized imports from China and India. We examine whether subject imports from China or India are negligible for imports corresponding to each of the domestic like products for the 12-month period preceding the filing of the petition (January 2017-December 2017).

As explained below, we find that subject imports of LDW line pipe from China are negligible for both the antidumping and countervailing duty investigations for purposes of present material injury but not negligible for purposes of threat of material injury in the antidumping duty investigation when collectively considered with subject LDW line pipe imports from Greece. We find that subject LDW line pipe imports from China are negligible for the countervailing duty investigation and terminate the countervailing duty investigation on China with respect to LDW line pipe. We further find that subject imports of LDW structural pipe from India are negligible for both the antidumping and countervailing duty investigations and terminate both investigations on India with respect to LDW structural pipe.

*LDW Line Pipe.* The record indicates that subject imports from China of LDW line pipe were below the 3 percent negligibility threshold during the applicable 12-month period with respect to both the antidumping and countervailing duty investigations. Subject imports of LDW line pipe from China accounted for 1.7 percent of all subject imports of LDW line pipe in the antidumping duty investigation and 1.5 percent of all subject imports of LDW line pipe in

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<sup>135</sup> Petitioners' Prehearing Brief at 74 (citing Prehearing Report). See CR at II-9; PR at II-6.

<sup>136</sup> Petitioners' Prehearing Brief at 73.

<sup>137</sup> Evraz's Posthearing Brief at 11 n.42; Borusan's Posthearing Brief, Exhibit 1 at 98.

<sup>138</sup> 19 U.S.C. § 1671d(b)(1), 19 U.S.C. § 1673d(b)(1).

the countervailing duty investigation.<sup>139</sup> Further, the aggregate percentage of total imports from the two countries (China and Greece) for which imports were below the 3 percent individual subject country statutory negligibility threshold applicable to antidumping duty investigations is 3.3 percent, well below the collective 7 percent threshold.<sup>140</sup>

Therefore, we find that subject imports of LDW line pipe from China are below the negligibility thresholds for present material injury in both the antidumping duty and the countervailing duty investigations. Such imports are ineligible for cumulation for present material injury for purposes of our determination on imports of LDW line pipe from India.

We consider subject imports of LDW line pipe from China for purposes of threat if they have a potential to imminently exceed 3 percent of total imports of LDW line pipe or, for LTFV subject imports of LDW line pipe from China, a potential to imminently exceed 7 percent of total imports when considered with LDW line pipe imports from Greece.

There is limited information concerning the industry in China as the Commission did not receive information from any producers in China.<sup>141</sup> The 12-month moving average for dumped and subsidized subject imports of LDW line pipe from China declined during 2017 and interim 2018 and fell below 2 percent.<sup>142</sup> Thus, there is not a potential that either dumped or subsidized subject imports from China will imminently exceed 3 percent of total LDW line pipe

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<sup>139</sup> CR/PR at Table D-1. Subject imports of LDW line pipe from India were well above the negligibility threshold. Subject imports of LDW line pipe from India accounted for 45.4 percent of all subject imports of LDW line pipe in the antidumping duty investigation and 40.7 percent of all subject imports of LDW line pipe in the countervailing duty investigation. *Id.*

<sup>140</sup> See CR/PR at Table D-1 (1.7 percent for imports from China and 1.6 percent for imports from Greece). There is no countervailing duty investigation concerning imports of LDWP from Greece. We do not aggregate imports from Greece subject to the antidumping duty investigation with those from China subject to the countervailing duty investigation. The Commission recently addressed the issue of aggregation of negligible antidumping and countervailing duty investigations in *Certain Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey*, Inv. Nos. 701-TA-559-561 and 731-TA-1317-1328 (Preliminary), USITC Pub. 4615 at 22-23 (May 2016). The Commission noted that it was following its practice from the 1999 *Cold-Rolled Steel* investigations and referred to a statement in the SAA (the substance of which is also clear on the face of the underlying statutory provision), that the special alternative 4 and 9 percent thresholds apply only to subject imports from developing countries in countervailing duty investigations, and it read this limitation as precluding it from cross-aggregating dumped imports with subsidized imports for purposes of assessing developing country negligibility. *Id.* (citing *Certain Cold-Rolled Steel Products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela*, Inv. Nos. 701-TA-393-396 and 731-TA-829-840 (Preliminary), USITC Pub. 3214 (July 1999) at 16 & n.105). See also *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey and the United Kingdom*, Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297 (Final) USITC Pub. 4638 at 12-14 (Sept. 2016), *aff'd*, *Nucor Corp. v. United States*, Ct. No. 18-13 (Ct. Int'l Trade 2018) (affirming consideration of AD and CVD investigations separately for negligibility).

<sup>141</sup> CR at VII-13; PR at VII-8.

<sup>142</sup> See CR/PR at Table D-2, Fig. D-1. There are no reported arranged imports for LDW line pipe from China. See CR/PR at Table VII-29.



imports. Because there are no other subsidized subject imports of LDW line pipe that were less than 3 percent of total LDW line pipe imports, and thus no imports with which to aggregate negligible subsidized imports from China, we terminate the LDW line pipe countervailing duty investigation with respect to China.

We consider subject imports of LDW line pipe from China in the antidumping duty investigation for purposes of threat of material injury if subject imports of LDW line pipe from China and Greece in antidumping investigations have the potential to imminently exceed 7 percent. As explained below, we find that there is a potential that they will imminently exceed 7 percent.

The Commission in its preliminary determinations observed that the \*\*\*, had placed orders for substantial quantities of LDWP from Greece to be delivered during 2018. In the final phase of these investigations, the import data collected for interim 2018 reflect these orders for LDW line pipe from Greece. Although subject imports of LDW line pipe from China were lower during interim 2018 than in interim 2017,<sup>143</sup> subject imports of LDW line pipe from Greece were much higher in interim 2018 at 101,607 short tons, than in interim 2017 at 2,054 short tons.<sup>144</sup> As a result, despite being collectively negligible during the 12 months prior to the filing of the petitions, subject imports of LDW line pipe from China and Greece accounted for 26.6 percent of imports of LDW line pipe during the first six months 2018.<sup>145</sup>

The 12-month moving average of aggregated LTFV subject import volume of LDW line pipe from China and Greece also exceeded 7 percent during interim 2018.<sup>146</sup> The average increased to 8.6 percent in March 2018 and continued to increase, rising to 15.6 percent of total LDW line pipe imports in the antidumping duty investigation in June 2018.<sup>147</sup> Further, \*\*\* short tons of LDW line pipe for the second half of 2018.<sup>148</sup>

Accordingly, we find that subject LTFV imports of LDW line pipe from China and Greece have a potential to imminently exceed 7 percent of total imports of LDW line pipe. We therefore consider subject imports of LDW line pipe from China for purposes of our analysis of threat of material injury in the antidumping duty investigation on China. We terminate the countervailing duty investigation with respect to China on imports of LDW line pipe from China.

*LDW Structural Pipe.* The record indicates that subject imports from India of LDW structural pipe were below the 3 percent negligibility threshold during the pertinent 12-month period. Subject imports of LDW structural pipe from India accounted for 0.1 percent of total imports of LDW structural pipe in both the antidumping and countervailing duty investigations with respect to India.<sup>149</sup> The aggregate percentage of total imports from the two countries

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<sup>143</sup> See CR/PR at Table ALT C-2. Subject imports of line pipe from China during interim 2018 were 3,829 short tons compared with 9,704 short tons in interim 2017. *Id.*

<sup>144</sup> CR/PR at Table ALT C-2.

<sup>145</sup> Calculated from CR/PR at Table ALT C-2.

<sup>146</sup> See CR/PR at Table D-2.

<sup>147</sup> See CR/PR at Table D-2.

<sup>148</sup> CR/PR at Table D-15. Corinth, the only subject producer and exporter in Greece, also reported excess capacity of \*\*\* short tons in 2017. See CR/PR at Table VII-9.

<sup>149</sup> CR/PR at Table D-7. Subject imports of LDW structural pipe from China were well above the negligibility threshold. Subject imports of LDW structural pipe from China accounted for 21.6 percent of (Continued...)

(India and Greece) for which imports were below the 3 percent individual subject country statutory negligibility threshold applicable to antidumping duty investigations is 0.2 percent.<sup>150</sup>

As subject imports of LDW structural pipe from India were well below the 3 percent threshold during the applicable 12-month period prior to filing of the petition, we find that these imports are below the negligibility thresholds for present material injury both in the antidumping and the countervailing duty investigations on imports from India.<sup>151</sup> Such imports are ineligible for cumulation for present material injury for purposes of our determination on China.

We consider subject imports of LDW structural pipe from India for purposes of threat if they have the potential to imminently exceed 3 percent of total imports of LDW structural pipe. Subject import volume of LDW structural pipe from India were very limited.<sup>152</sup> The three responding producers in India of LDWP \*\*\*.<sup>153</sup> The 12-month moving average considered separately for the volume of dumped and subsidized subject imports of LDW structural pipe from India remained at 0.2 percent or lower during the POI.<sup>154</sup> Thus, we do not find that there is the potential that dumped or subsidized imports of LDW structural pipe from India will imminently exceed 3 percent.

We also consider subject imports of LDW structural pipe from India in the antidumping investigation for purposes of threat of material injury if subject imports of LDW structural pipe from India and Greece collectively in antidumping duty investigations have the potential to imminently exceed 7 percent.<sup>155</sup> However, the Greek producer Corinth, like the three responding Indian producers, \*\*\*.<sup>156</sup> Aggregated subject imports of LDW structural pipe from India and Greece were minimal during the POI, never exceeding 0.5 percent of total imports of LDW structural pipe.<sup>157</sup> The 12-month moving average for subject imports of LDW structural pipe from India and Greece never exceeded 0.2 percent during the POI.<sup>158</sup> We therefore find that subject imports of LDW structural pipe collectively from India and Greece in the antidumping duty investigations do not have the potential to imminently exceed 7 percent. Accordingly, we terminate both the antidumping duty and the countervailing duty investigations with respect to LDW structural pipe from India.

*LDW Stainless Steel Pipe.* The record indicates that subject imports from China and India of stainless steel LDW pipe were above the 3 percent negligibility threshold at 59.3 percent and

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(...Continued)

all subject imports of LDW structural pipe in both the antidumping duty investigation and in the countervailing duty investigation with respect to China. *Id.*

<sup>150</sup> CR/PR at Table D-7.

<sup>151</sup> CR/PR at Table D-7.

<sup>152</sup> See CR/PR at Fig. D-4.

<sup>153</sup> CR at VII-29; PR at VII-18.

<sup>154</sup> See CR/PR at Table D-8.

<sup>155</sup> 19 U.S.C. § 1677(24)(A)(iv). There is no countervailing duty investigation with respect to imports from Greece.

<sup>156</sup> CR at VII-21, VII-29; PR at VII-13, VII-19.

<sup>157</sup> See CR/PR at Table ALT C-5.

<sup>158</sup> See CR/PR at Table D-8.

5.8 percent of subject imports of stainless steel LDW pipe, respectively, in the antidumping duty investigation and countervailing duty investigation on each country.<sup>159</sup> We therefore find that subject imports of stainless steel LDW pipe from China and India are not negligible and eligible for cumulation for present material injury.

## V. Cumulation

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

- (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.<sup>160</sup>

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.<sup>161</sup> Only a “reasonable overlap” of competition is required.<sup>162</sup>

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<sup>159</sup> CR/PR at Table D-5.

<sup>160</sup> See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int’l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

<sup>161</sup> See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

<sup>162</sup> The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902; see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”)).

## A. Arguments of the Parties

*Petitioners' Arguments.* Petitioners argue that there is a reasonable overlap of competition because subject imports compete directly with each other and with the domestic like product. They contend that all of the factors typically considered by the Commission support cumulation though they do not discuss cumulation for separate sets of LDW line pipe, LDW structural pipe, and stainless steel LDW pipe imports.<sup>163</sup>

Petitioners urge the Commission to cumulate subject imports from Canada with subject imports from other countries, arguing that subject imports from Canada competed throughout the United States despite Evraz's arguments to the contrary. They note that Evraz \*\*\*. They also observe that subject imports from Canada were present in the United States in each month of the POI.<sup>164</sup>

*Respondents' Arguments.* Evraz asserts that subject imports from Canada compete differently than imports from other subject countries. Evraz claims that purchasers confirm that its products are higher quality than domestically produced and imported LDWP and subject imports from Canada have higher average unit values than subject imports from other sources. These higher values, it claims, reflect shorter lead times due to Evraz's integrated production operations. Evraz contends that it sells LDWP both below and above 24 inches outside diameter while subject imports from India and Turkey are all above 24 inches outside diameter. It further notes that it produces LDW line pipe and virtually no LDW structural pipe for sale in the United States. Finally, Evraz asserts that its sales are concentrated in the North-Central region of the United States (where they enter) while subject imports from other sources enter and are sold in other regions.<sup>165</sup>

## B. Analysis and Conclusions

We consider cumulation separately for LDW line pipe, LDW structural pipe, and stainless steel LDW pipe because we define them as separate domestic like products. As explained above in our discussion of negligibility, we do not consider subject imports of LDW line pipe from China or subject imports of LDW structural pipe from India to be eligible for cumulation for present material injury. Although subject imports of LDW line pipe from Greece in the antidumping duty investigation are under 3 percent in the applicable negligibility period, they are not subject to one of the exceptions to cumulation because Commerce has not made its final determination regarding such imports and because the Commission has not found them to be negligible in its investigations on subject imports from China and India.<sup>166</sup> Petitioners filed

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<sup>163</sup> Petitioners' Posthearing Brief at 5-6; Petitioners' Prehearing Brief at 21-28.

<sup>164</sup> Petitioners' Posthearing Brief at 5-6.

<sup>165</sup> Evraz's Prehearing Brief at 37-39.

<sup>166</sup> In the preliminary phase of the investigations, the Commission did not cumulate subject imports from Greece for present material injury purposes because it made a negligibility determination with respect to Greece in its preliminary determinations. See 19 U.S.C. § 1673b(a)(1).

the antidumping and countervailing duty petitions with respect to all subject countries on the same day, January 17, 2018.<sup>167</sup>

## 1. LDW Line Pipe

*Fungibility.* There appears to be a high degree of substitutability between domestically produced LDW line pipe and LDW line pipe imported from subject sources.<sup>168</sup> LDW line pipe, regardless of source, is generally produced in accordance with API standards.<sup>169</sup> When comparing the domestic LDWP product to the subject LDWP imports from each country, half or more of responding U.S. producers and importers reported that the domestic product and imports from each subject source are "always" or "frequently" used interchangeably.<sup>170</sup> For comparisons between imports from subject sources, half or more of U.S. producers and importers indicated that LDWP from each subject source is "always" or "frequently" used interchangeably.<sup>171</sup> Half or more of purchasers indicated that LDWP from domestic producers or subject sources are "always" or "frequently" used interchangeably.<sup>172</sup>

In addition, most U.S. producers and importers reported that there were only "sometimes" or "never" differences other than price in comparisons between imports from subject countries and between subject imports and domestic LDWP.<sup>173</sup> Purchasers provided more mixed responses, frequently indicating there were differences other than price between imports from subject countries and between subject imports and domestic LDWP.<sup>174</sup> The vast majority of purchasers indicated that subject imports from all sources and domestic producers could meet minimum quality requirements.<sup>175</sup> Purchasers ranked imports from each subject country as comparable to the domestic like product on the vast majority of purchase factors although the domestic product was sometimes rated superior with respect to delivery time and reliability of supply, and inferior with respect to price.<sup>176</sup>

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<sup>167</sup> CR/PR at I-1.

<sup>168</sup> See CR at II-24; PR at II-16.

<sup>169</sup> See CR at I-23 to I-24; PR at I-19.

<sup>170</sup> See CR/PR at Table II-12.

<sup>171</sup> See CR/PR at Table II-12.

<sup>172</sup> See CR/PR at Table II-12. We have also considered the information with responses removed for the 10 purchasers that primarily purchase LDW structural pipe. See CR at II-26 n.25; PR at II-17 n.25. With the exception of LDWP from India compared with domestic product and LDWP from China, half or more purchasers that primarily purchase LDW line pipe indicated that LDWP from subject sources and the domestic product were always or frequently used interchangeably.

<sup>173</sup> See CR/PR at Table II-14.

<sup>174</sup> See CR/PR at Table II-14. We have also considered the information with responses removed for the 10 purchasers that primarily purchase LDW structural pipe.

<sup>175</sup> CR/PR at Table II-13.

<sup>176</sup> CR/PR at Table II-11. We have also considered the information with responses removed for the 10 purchasers that primarily purchase LDW structural pipe.

Evraz argued that it focuses on specific sizes of LDW line pipe, or product specifications unlike those imported from subject countries other than Canada.<sup>177</sup> Information in the record, however, does not support Evraz's contention that its shipments of LDWP differed from those of imports from other subject countries or the domestic like product. Domestic producers, importers' and purchasers' responses with respect to interchangeability and non-price differences with respect to subject imports from Canada were comparable to their responses concerning the other subject countries.<sup>178</sup> Shipment data indicate that the majority of shipments of subject imports from Canada consisted of LDW line pipe with outside diameters that ranged from 24 to 48 inches or with outside diameters of 16 to 24 inches.<sup>179</sup> The domestic producers' and importers' shipments from India, Turkey, and to a lesser extent, Korea were also concentrated in these same size ranges.<sup>180</sup> \*\*\*.<sup>181</sup> This indicates that, notwithstanding Evraz's arguments to the contrary, there is a sufficient degree of fungibility among the subject imports and the domestic like product for purposes of finding a reasonable overlap of competition.

*Channels of Distribution.* Subject imports of LDW line pipe and the domestic like product shared the same general channels of distribution. During the period of investigation, domestic producers and importers of subject imports from Canada, Greece, India, and Turkey were sold primarily to end users.<sup>182</sup> Subject imports from Korea were sold to end users as well as distributors.<sup>183</sup>

*Geographic Overlap.* U.S. producers reported selling LDWP to all regions of the contiguous United States.<sup>184</sup> Subject imports from all subject countries were sold in the Northeast, Midwest, and Central Southwest, and subject imports from all subject countries except Canada were present in the Southeast.<sup>185</sup>

*Simultaneous Presence in Market.* Subject imports of LDW line pipe from Canada and Korea were present in the U.S. market in all 42 months of the POI, January 2015 to June 2018.<sup>186</sup> Subject imports of LDW line pipe from India were present in 30 of 42 months and subject imports of LDW line pipe from Turkey were present in 32 of 42 months.<sup>187</sup> Subject imports from Greece were present in the U.S. market in 25 of 42 months of the POI.<sup>188</sup> The record also indicates that subject producers in Canada, Greece, India, Korea, and Turkey bid in

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<sup>177</sup> Evraz's Prehearing Brief at 37-39.

<sup>178</sup> See CR/PR at Tables II-11, II-12 & II-13.

<sup>179</sup> CR/PR at Table IV-7.

<sup>180</sup> See CR/PR at Table IV-7.

<sup>181</sup> See, e.g., CR at F-9, F-10, F-11, F-15, F-17, F-19, F-24, F-27, F-28, F-29, F-30, F-31, F-32; PR at F-2.

<sup>182</sup> See CR/PR at Table D-11.

<sup>183</sup> See CR/PR at Table D-11.

<sup>184</sup> CR/PR at Table II-2.

<sup>185</sup> CR/PR at Table II-2.

<sup>186</sup> CR/PR at Table D-17.

<sup>187</sup> CR/PR at Table D-17.

<sup>188</sup> CR/PR at Table D-17.

competition with domestic producers on multiple projects requiring LDW line pipe during the POI.<sup>189</sup>

*Conclusion.* We find that imports of LDW line pipe from each subject country eligible for cumulation (Canada, Greece, India, Korea, and Turkey) are fungible with the domestic like product and each other, and that imports of LDW line pipe from each of the five subject countries and the domestic like product are sold in similar channels of distribution, similar geographic markets, and have been simultaneously present in the U.S. market. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic LDW line pipe and imports of LDW line pipe from each subject country eligible for cumulation and between imports of LDW line pipe from each subject country eligible for cumulation. We accordingly analyze subject imports of LDW line pipe from Canada, Greece, India, Korea, and Turkey on a cumulated basis for our analysis of material injury by reason of subject imports of LDW line pipe.

## 2. LDW Structural Pipe

*Fungibility.* There is a high degree of substitutability between domestically produced LDW structural pipe and LDW structural pipe imported from subject sources.<sup>190</sup> LDW structural pipe, regardless of source, is generally produced in accordance with ASTM standards.<sup>191</sup>

When comparing the domestic product to the subject imports from each country, half or more of responding U.S. producers and importers reported that domestic LDWP and LDWP from each subject source are "always" or "frequently" used interchangeably.<sup>192</sup> For comparisons between imports from subject sources, half or more of U.S. producers and importers indicated that LDWP from each subject source is "always" or "frequently" used interchangeably.<sup>193</sup> Half or more of purchasers that primarily purchased LDW structural pipe indicated that LDWP from domestic producers or subject sources are "always" or "frequently" used interchangeably.<sup>194</sup>

In addition, most U.S. producers and importers reported that there were only "sometimes" or "never" differences other than price in comparisons between imports from subject countries and between subject imports and domestic LDWP.<sup>195</sup> Half or more U.S. purchasers that purchased a majority LDW structural pipe reported that there were only "sometimes" or "never" differences other than price in comparisons between imports from

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<sup>189</sup> See CR/PR at Table V-4. Based on the bid data collected in these investigations, subject producers in Canada submitted 32 bids on LDW line pipe projects in the United States, subject producers in Greece submitted 28 bids, subject producers in India submitted 8 bids, subject producers in Korea submitted 16 bids, and subject producers in Turkey submitted 16 bids. *Id.*

<sup>190</sup> See CR at II-24; PR at II-16.

<sup>191</sup> See CR at I-24 to I-25; PR at I-19.

<sup>192</sup> See CR/PR at Table II-12.

<sup>193</sup> See CR/PR at Table II-12.

<sup>194</sup> See CR/PR at Table II-12. Questionnaire Responses of \*\*\* at IV-1.

<sup>195</sup> See CR/PR at Table II-14.

subject countries and between subject imports and domestic LDWP.<sup>196</sup> The vast majority of purchasers indicated that subject imports of LDWP from all sources and domestic producers could meet minimum quality requirements.<sup>197</sup> Purchasers that purchased a majority of LDW structural pipe ranked imports from each subject country as comparable to the domestic like product on the vast majority of purchase factors.<sup>198</sup>

*Channels of Distribution.* Subject imports of LDW structural pipe and the domestic like product show overlap in channels of distribution. Domestically produced LDW structural pipe was sold to end users and distributors.<sup>199</sup> Importers of subject imports from China, which were mostly LDW structural pipe, were primarily sold to end users.<sup>200</sup> Subject imports from Canada were also mainly sold to end users.<sup>201</sup> Subject imports from Turkey and Korea were sold to distributors and end users.<sup>202</sup>

*Geographic Overlap.* U.S. producers reported selling LDWP to all regions of the contiguous United States.<sup>203</sup> Subject imports from all subject countries (except China) were sold in the Northeast, Midwest, and Central Southwest, and subject imports from all subject countries except Canada were present in the Southeast.<sup>204</sup> Subject imports from China were sold to all regions except the Midwest.<sup>205</sup>

*Simultaneous Presence in Market.* Subject imports from Canada and China were present in the U.S. market in all 42 months of the POI, January 2015 to June 2018.<sup>206</sup> Subject imports from Korea and Turkey were present in 41 of 42 months and 25 of 42 months, respectively. The record indicates that subject imports from Greece were only present in one month of the POI at *de minimis* quantities.<sup>207</sup> Over the entire POI, only 44 tons of LDW structural pipe from Greece entered the United States during one month in 2017.<sup>208</sup> We therefore find that subject imports of LDW structural pipe from Greece were effectively not present in the U.S. market.

*Conclusion.* The information in the record indicates that imports of LDW structural pipe from China, Canada, Korea, and Turkey are fungible with domestically produced LDW structural pipe and each other, that imports of LDW structural pipe from China, Canada, Korea, and Turkey and the domestic like product are sold in similar channels of distribution and geographic markets, and have been simultaneously present in the U.S. market. As noted above, the record

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<sup>196</sup> See Questionnaire Responses of \*\*\* at IV-2.

<sup>197</sup> CR/PR at Table II-13.

<sup>198</sup> See Questionnaire Responses of \*\*\* at IV-3.

<sup>199</sup> CR/PR at Table I-7.

<sup>200</sup> See CR/PR at Table II-1. No separate information concerning channels of distribution for subject imports of LDW structural pipe is available.

<sup>201</sup> See CR/PR at Tables I-7, II-1.

<sup>202</sup> See CR/PR at Tables I-7, II-1.

<sup>203</sup> CR/PR at Table II-2. No separate information concerning LDW structural pipe is available.

<sup>204</sup> CR/PR at Table II-2.

<sup>205</sup> CR/PR at Table II-2. See also CR/PR at Table D-14b (indicating overlap in ports of entry).

<sup>206</sup> CR/PR at Table D-18b

<sup>207</sup> CR/PR at Table D-18b.

<sup>208</sup> CR/PR at Table ALT C-5.



indicates that there were virtually no imports of LDW structural pipe from Greece during the POI.

In light of the foregoing and the lack of contrary argument specific to LDW structural pipe, we find that there is a reasonable overlap of competition between domestically produced LDW structural pipe and imports of LDW structural pipe from Canada, China, Korea, and Turkey and between imports of LDW structural pipe from Canada, China, Korea, and Turkey. We therefore analyze subject imports of LDW structural pipe from Canada, China, Korea, and Turkey on a cumulated basis for our analysis of material injury by reason of subject LDW structural pipe imports.

### 3. Stainless Steel LDW Pipe

*Fungibility.* We find that there is a high degree of substitutability between domestically produced stainless steel LDW pipe and stainless steel LDW pipe imported from subject sources eligible for cumulation although the record is limited given that no purchasers of stainless steel LDW pipe responded to questionnaires and quantities of stainless steel LDW pipe in the U.S. market are limited.<sup>209</sup> Stainless steel LDW pipe, regardless of source, is generally produced in accordance with ASTM standards.<sup>210</sup>

When comparing the domestic product to the subject imports from each country, all three responding U.S. producers of stainless steel LDW pipe reported that the domestic product and imports from each subject source are "always" or "frequently" used interchangeably.<sup>211</sup> For comparisons between imports from subject sources, all three U.S. producers indicated that stainless steel LDW pipe from each subject source is "always" or "frequently" used interchangeably.<sup>212</sup> In addition, all three U.S. producers reported that there were only "sometimes" or "never" differences other than price in comparisons between imports from subject countries and between subject imports and domestic stainless steel LDW pipe.<sup>213</sup>

*Channels of Distribution.* Domestically produced stainless steel LDW pipe was primarily sold to distributors.<sup>214</sup> The only responding U.S. importer of stainless steel LDW pipe sold \*\*\* to end users.<sup>215</sup>

*Geographic Overlap.* U.S. producers reported selling stainless steel LDW pipe to all regions of the contiguous United States.<sup>216</sup> Subject imports of stainless steel LDW pipe entered at ports of entry in multiple regions.<sup>217</sup>

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<sup>209</sup> See CR at II-24; PR at II-16; CR/PR at Table ALT C-4.

<sup>210</sup> See CR at I-43 to I-44; PR at I-28.

<sup>211</sup> See Questionnaire Responses of \*\*\* at IV-20.

<sup>212</sup> See Questionnaire Responses of \*\*\* at IV-20.

<sup>213</sup> See Questionnaire Responses of \*\*\* at IV-21.

<sup>214</sup> CR/PR at Table I-10.

<sup>215</sup> See Importer Questionnaire Response of \*\*\*.

<sup>216</sup> \*\*\* reported selling to all regions of the contiguous United States. Questionnaire Responses at IV-10.

<sup>217</sup> CR/PR at Table D-14a.

*Simultaneous Presence in Market.* Subject imports of stainless steel LDW pipe from Canada entered in 36 months of the 42-month POI, subject imports of stainless steel LDW pipe from China entered in 20 months, subject imports of stainless steel LDW pipe from India entered in 8 months, subject imports of stainless steel LDW pipe from Korea entered in 16 months, and subject imports of stainless steel LDW pipe from Turkey entered in 14 months.<sup>218</sup> On the other hand, no imports of stainless steel LDW pipe from Greece entered the U.S. during the POI.<sup>219</sup> We therefore find that subject imports of stainless steel LDW pipe from Greece were not present in the U.S. market.

*Conclusion.* The information in the record indicates that imports of stainless steel LDW pipe from Canada, China, India, Korea, and Turkey are fungible with domestically produced stainless steel LDW pipe and have been simultaneously present in the U.S. market. In light of this information and the lack of contrary argument from any party, we find that there is a reasonable overlap of competition between domestic stainless steel LDW pipe and imports of stainless steel LDW pipe from Canada, China India, Korea, and Turkey and between imports of stainless steel LDW pipe from Canada, China India, Korea, and Turkey. We therefore analyze subject imports of stainless steel LDW pipe from Canada, China, India, Korea, and Turkey on a cumulated basis for our analysis of material injury by reason of subject imports of stainless steel LDW pipe.

## **VI. Material Injury and Threat of Material Injury by Reason of Cumulated Subject Imports**

### **A. Legal Standards**

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.<sup>220</sup> In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.<sup>221</sup> The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”<sup>222</sup> In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.<sup>223</sup> No single factor is dispositive, and all relevant factors are considered “within the

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<sup>218</sup> See CR/PR at Table D-18a.

<sup>219</sup> See CR/PR at Tables D-18a and Table ALT C-4.

<sup>220</sup> 19 U.S.C. §§ 1671d(b), 1673d(b). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provisions of the Tariff Act pertaining to Commission determinations of material injury and threat of material injury by reason of subject imports in certain respects.

<sup>221</sup> 19 U.S.C. § 1677(7)(B). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... and explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

<sup>222</sup> 19 U.S.C. § 1677(7)(A).

<sup>223</sup> 19 U.S.C. § 1677(7)(C)(iii).

context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>224</sup>

Although the statute requires the Commission to determine whether the domestic industry is “materially injured or threatened with material injury by reason of” unfairly traded imports,<sup>225</sup> it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.<sup>226</sup> In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.<sup>227</sup>

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.<sup>228</sup> In performing its examination, however, the Commission need not isolate

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<sup>224</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>225</sup> 19 U.S.C. §§ 1671d(a), 1673d(a).

<sup>226</sup> *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’g*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

<sup>227</sup> The Federal Circuit, in addressing the causation standard of the statute, observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred ‘by reason of’ the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass’n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

<sup>228</sup> SAA at 851-52 (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, (Continued...)

the injury caused by other factors from injury caused by unfairly traded imports.<sup>229</sup> Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.<sup>230</sup> It is clear that the existence of injury caused by other factors does not compel a negative determination.<sup>231</sup>

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports” and the Commission “ensure{s} that it is not attributing injury from other sources to the subject imports.”<sup>232</sup> Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”<sup>233</sup>

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(...Continued)

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

<sup>229</sup> SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); see also *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, i.e., it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), citing *Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

<sup>230</sup> S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

<sup>231</sup> See *Nippon Steel Corp.*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

<sup>232</sup> *Mittal Steel*, 542 F.3d at 877-78; see also *id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”) citing *United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swift-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission’s causation analysis as comports with the Court’s guidance in *Mittal*.

<sup>233</sup> *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); see also *Mittal Steel*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

The Federal Circuit's decisions in *Gerald Metals*, *Bratsk*, and *Mittal Steel* all involved cases where the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit's guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.<sup>234</sup> The additional "replacement/benefit" test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

*Mittal Steel* clarifies that the Commission's interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.<sup>235</sup> Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.<sup>236</sup>

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.<sup>237</sup> Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.<sup>238</sup>

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<sup>234</sup> *Mittal Steel*, 542 F.3d at 875-79.

<sup>235</sup> *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission's alternative interpretation of *Bratsk* as a reminder to conduct a non-attribution analysis).

<sup>236</sup> To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in the final phase of investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in the final phase of investigations in which there are substantial levels of nonsubject imports.

<sup>237</sup> We provide in our discussions below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

<sup>238</sup> *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, citing *U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”<sup>239</sup>

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

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.<sup>240</sup>

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission “shall evaluate all relevant economic factors which have a bearing on the state of the industry.”<sup>241</sup> These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>242</sup>

#### **B. The LDW Line Pipe Industry is Materially Injured by Reason of Subject Imports<sup>243</sup>**

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of LDW line pipe from India found by Commerce to be sold in the United States at less than fair value and subsidized by the government of India.

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<sup>239</sup> 19 U.S.C. § 1677(7)(C)(i).

<sup>240</sup> 19 U.S.C. § 1677(7)(C)(ii).

<sup>241</sup> 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 (“In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.”).

<sup>242</sup> 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

<sup>243</sup> Commissioner Broadbent determines that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of line pipe from China and India sold at LTFV and subsidized by the government of India. She joins section VI.B. only with respect to Conditions of Competition and the Business Cycle (VI.B.1). She does not join section VI.C., and joins sections VI.D.-VII. unless otherwise stated.

## 1. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is material injury and threat of material injury by reason of cumulated subject imports of LDW line pipe.

### a. Demand Considerations

LDW line pipe is used in oil and gas transmission pipelines and U.S. demand for LDW line pipe reflects oil and gas drilling activity.<sup>244</sup> Rig count and oil and gas prices are leading indicators of oil and gas construction activity.<sup>245</sup> Rig count fell overall during the POI, generally declining until the middle of 2016, and then recovering somewhat through the remainder of the POI.<sup>246</sup> Oil and gas prices fell during 2015 and then increased overall from 2016 to June 2018.<sup>247</sup>

Apparent U.S. consumption of LDW line pipe decreased by 29.4 percent from 2015 to 2017.<sup>248</sup> Apparent U.S. consumption of LDW line pipe was 2.87 million short tons in 2015, 2.00 million short tons in 2016, and 2.03 million short tons in 2017.<sup>249</sup> Most U.S. producers reported that demand for LDW line pipe in the oil and gas sector fluctuated during the POI.<sup>250</sup> Purchasers and importers reported that demand had increased or fluctuated.<sup>251</sup>

### b. Supply Considerations

LDW line pipe is typically made to order for pipelines and oil and gas projects and most LDW line pipe is shipped directly to end users.<sup>252</sup> Only a small portion of LDW line pipe is shipped from inventory.<sup>253</sup> Domestic producers and importers generally reported lead times averaging 86 to 162 days, respectively.<sup>254</sup>

Carbon and alloy LDWP generally, and LDW line pipe specifically, is produced by one of three production processes in the United States: ERW, HSAW, or LSAW.<sup>255</sup> ERW is used to produce carbon and alloy LDWP up to 24 inches outside diameter while HSAW or LSAW is

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<sup>244</sup> CR at II-17 and II-20; PR at II-11 and II-15.

<sup>245</sup> CR at II-17; PR at II-11.

<sup>246</sup> CR/PR at Fig. II-2.

<sup>247</sup> CR/PR at Fig. II-1.

<sup>248</sup> CR/PR at Table ALT C-2.

<sup>249</sup> CR/PR at Table ALT C-2. Apparent U.S. consumption was 913,317 short tons in interim 2017 and 889,026 short tons in interim 2018. *Id.*

<sup>250</sup> CR at II-22, PR at II-14.

<sup>251</sup> CR at II-22, PR at II-14.

<sup>252</sup> CR at II-24; PR at II-16; CR/PR at Table I-7; CR/PR at Table ALT C-2.

<sup>253</sup> CR at II-24 n.24; PR at II-16 n.24.

<sup>254</sup> CR at II-24; PR at II-16.

<sup>255</sup> CR at I-27 to I-28; PR at I-20 to I-21.

predominantly used for larger diameter LDWP.<sup>256</sup> LSAW is the most expensive of the three processes but it enables production of carbon and alloy LDWP with greater wall thicknesses.<sup>257</sup>

The domestic industry's capacity declined by \*\*\* percent during 2015 to 2017.<sup>258</sup> All domestic producers except \*\*\* reported a prolonged shutdown or curtailment.<sup>259</sup> Jindal reported idling a production line and Stupp reported shuttering an entire HSAW mill.<sup>260</sup> Four domestic producers, including \*\*\* reported expansions of their plants.<sup>261</sup>

The domestic industry had the largest share of the U.S. LDW line pipe market during the POI. The domestic industry's market share increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then declined to \*\*\* percent in 2017, for an overall decline of \*\*\* percentage points.<sup>262</sup>

Subject imports were the second largest source of supply to the U.S. LDW line pipe market. Cumulated subject imports, with LDW line pipe imports from China excluded, increased their share of apparent U.S. consumption overall. Their share decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then increased to \*\*\* percent in 2017.<sup>263</sup>

Nonsubject imports were the third largest source of supply to the U.S. market during the POI. Nonsubject imports' share of apparent U.S. consumption decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and \*\*\* percent in 2017.<sup>264</sup>

### c. Substitutability and Other Conditions

LDW line pipe is usually produced to API 5L standards.<sup>265</sup> There is a high degree of substitutability between domestically produced LDW line pipe and subject imports, assuming they are both made to the standards specified by purchasers for a pipeline project.<sup>266</sup> The degree of substitutability depends upon such factors as relative prices, quality (*e.g.*, grade standards, defect rates, etc.), and conditions of sale (*e.g.*, price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.).<sup>267</sup> Most purchasers that purchased a majority of LDW line pipe reported that LDWP from domestic

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<sup>256</sup> See CR/PR at Table I-5; CR at I-28; PR at I-21.

<sup>257</sup> See CR/PR at Table I-5.

<sup>258</sup> CR/PR Table ALT C-2.

<sup>259</sup> CR/PR at Table III-3.

<sup>260</sup> CR/PR at Table III-3.

<sup>261</sup> CR/PR at Table III-3.

<sup>262</sup> CR/PR at Table ALT C-2. The domestic industry's market share was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.* Evraz \*\*\*. See \*\*\*.

<sup>263</sup> CR/PR at Table ALT C-2. Cumulated subject imports (with China excluded) were \*\*\* percent of apparent U.S. consumption in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>264</sup> CR/PR at Table ALT C-2. Nonsubject imports were \*\*\* percent of apparent U.S. consumption in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>265</sup> CR at I-23; PR at I-18.

<sup>266</sup> CR at II-24; PR at II-16.

<sup>267</sup> CR at II-24; PR at II-16.



producers and subject sources are "always" or "frequently" used interchangeably.<sup>268</sup> Furthermore, when asked to compare LDWP produced in the United States versus LDWP produced by subject sources, purchasers ranked imports from each subject country as comparable to the domestic like product on the vast majority of purchase factors, although the domestic product was sometimes rated superior with respect to delivery time, reliability of supply, and inferior with respect to price.<sup>269</sup>

Producers and importers were asked to assess how often factors other than price were significant in sales between all LDWP produced in the United States, subject, or nonsubject countries. Most U.S. producers reported that there were "never" differences other than price between subject merchandise and domestically produced LDWP, and most importers reported that there were "sometimes" or "never" differences other than price between subject imports and domestic LDWP.<sup>270</sup> Purchasers that purchased a majority of LDW line pipe more often indicated that there are important non-price factors when they choose among different sources of LDW line pipe.<sup>271</sup> Twenty-four of 40 purchasers require that LDWP producers be qualified in order to bid on projects, with the majority of these responding purchasers indicating that the qualification process does not differ depending on the type of LDWP (LDW line pipe versus LDW structural pipe).<sup>272</sup>

Purchasers that primarily purchased LDW line pipe identified price, quality, and availability/supply as their top three most important purchasing factors.<sup>273</sup> They also ranked quality, product consistency, and price the most frequently as very important considerations when purchasers choose among producers for a project.<sup>274</sup> Thirty-two of 43 purchasers reported that they always or usually purchase the lowest priced LDWP.<sup>275</sup> We therefore find that price is an important factor in purchasing decisions for LDW line pipe.<sup>276</sup>

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<sup>268</sup> See CR/PR at Table II-12. We have also considered the information with responses removed for the 10 purchasers that primarily purchase LDW structural pipe. See CR at II-26 n.25; PR at II-17 n.25. With the exception of LDW line pipe from India compared with domestic product and LDW line pipe from China, half or more of U.S. purchasers indicated that LDW line pipe from subject sources and the domestic product were always or frequently used interchangeably.

<sup>269</sup> CR/PR at Table II-11.

<sup>270</sup> See CR/PR at Table II-14. We have also considered the information with responses removed for the 10 purchasers that primarily purchase LDW structural pipe. See CR at II-26 n.25; PR at II-17 n.25.

<sup>271</sup> See CR/PR at Table II-14. We have also considered the information with responses removed for the 10 purchasers that primarily purchase LDW structural pipe. See CR at II-26 n.25; PR at II-17 n.25.

<sup>272</sup> CR at II-31; PR at II-22. Staff asked the ten largest LDWP purchasers that submitted bid information to describe the type of information that their firm requests in a typical Request for Quotes ("RFQ") from suppliers. All eight responding purchasers reported that their firm does not require a supplier to submit its production history when submitting a bid proposal. CR at V-6 n.5; PR at V-4 n.5.

<sup>273</sup> CR/PR at Table II-6.

<sup>274</sup> Quality and product consistency were most frequently named as very important among purchasing considerations for LDW line pipe. See CR/PR at Table II-8.

<sup>275</sup> See CR at II-27; PR at II-18 (of the 33 responding purchasers the primarily purchased LDW line pipe, 22 reported that they always or usually purchase the lowest priced LDWP).

<sup>276</sup> Price also was one of the most often cited top-three factors purchasers consider in their purchasing decisions. See CR/PR at Table II-6.

Bidding is usually used to award contracts for purchase of LDWP, with awards sometimes made after multiple rounds of bidding.<sup>277</sup> Thirty-five of 43 purchasers reported that they purchase LDWP using a bidding process.<sup>278</sup> Purchasers sometimes permit bidders to submit bids with exceptions to their product specifications or alternative LDWP products in lieu of their specified products.<sup>279</sup>

The primary raw material used to manufacture LDWP is either hot-rolled coil or cut-to-length plate, depending on the production process.<sup>280</sup> The ERW and HSAW production processes use hot-rolled coil while LSAW uses cut-to-length plate.<sup>281</sup> Raw material prices, as reflected in the price of hot-rolled coil and cut-to-length steel plate, fluctuated over the POI but increased overall.<sup>282</sup>

Additional tariffs of 25-percent *ad valorem* were imposed on certain steel products in March and July 2018 under Section 232 of the Trade Expansion Act of 1962.<sup>283</sup> The additional tariffs apply to the raw materials used for domestic production of LDW line pipe as well as imports of LDW line pipe.<sup>284</sup>

Hot-rolled coil and cut-to-length (“CTL”) plate are also subject to antidumping and countervailing duty orders. Antidumping and countervailing duty orders on hot-rolled steel from Australia, Brazil, Japan, Korea, Netherlands, Turkey, and the United Kingdom were issued in the United States in October 2016.<sup>285</sup> Commerce also issued antidumping and countervailing duty orders on CTL plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey during the first five months of 2017.<sup>286</sup>

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<sup>277</sup> CR at V-6; PR at V-4. *See also* Hearing Tr. at 102, 109 (Clark, Riemer)

<sup>278</sup> CR at V-6; PR at V-4.

<sup>279</sup> CR at V-7; PR at V-4.

<sup>280</sup> CR at V-1; PR at V-1.

<sup>281</sup> CR at I-31; PR at I-24.

<sup>282</sup> *See* CR/PR at Fig. V-1.

<sup>283</sup> CR at I-7 to I-9; PR at I-6 to I-8. Section 232 of the Trade Expansion Act of 1962, as amended, 19 U.S.C. § 1862, authorizes the Secretary of Commerce to conduct investigations to determine the effects of imports on the national security of the United States and authorizes the President to take action to restrict such imports. A majority of responding firms indicated that the imposition of Section 232 tariffs on imported steel beginning in March 2018 increased raw material costs and the price of LDWP. *See* CR at II-3; PR at II-2.

<sup>284</sup> CR at I-15; PR at I-12; CR/PR at Table I-2. Steel products from Korea are subject to a quota and those from Turkey are subject to a 50 percent tariff as a result of the Section 232 actions. *Id.*

<sup>285</sup> CR/PR at Fig. V-1. *See Certain Hot-Rolled Steel Flat Productions From Brazil and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders*, 81 Fed. Reg. 67960 (Oct. 3, 2016); *Certain Hot-Rolled Steel Flat Products From Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Australia, the Republic of Korea, and the Republic of Turkey and Antidumping Duty Orders*, 81 Fed. Reg. 67962 (Oct. 3, 2016).

<sup>286</sup> CR/PR at Fig. V-1. *See Certain Carbon and Alloy Steel Cut-To-Length Plate From Brazil, South Africa, and the Republic of Turkey: Antidumping Duty Orders*, 82 Fed. Reg. 8911 (Feb. 1, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From the People’s Republic of China: Countervailing Duty Order*, 82 Fed. Reg. 14346 (Mar. 20, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From the* (Continued...)

## 2. Volume of Cumulated Subject Imports of LDW Line Pipe

Cumulated subject imports of LDW line pipe from Canada, Greece, India, Korea, and Turkey declined from \*\*\* short tons in 2015 to \*\*\* short tons in 2016, and then increased to \*\*\* short tons in 2017.<sup>287</sup> Although cumulated subject imports declined in absolute terms over the POI, they had an increasing presence in the U.S. market during the POI because the U.S. market was contracting. From 2015 to 2017, when apparent U.S. consumption fell by 29.4 percent by quantity, the volume of cumulated subject imports declined by only \*\*\* percent.<sup>288</sup> As a result, cumulated subject imports increased their share of the U.S. market. Their share initially declined from \*\*\* percent in 2015 to \*\*\* percent in 2016, but then increased to \*\*\* percent in 2017.<sup>289</sup>

We have also considered respondents' arguments that two large projects (Mountain Valley and Valley Crossing) accounted for much of the volume of subject imports during the latter portions of the POI and that these volumes were not injurious because subject imports

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(...Continued)

*People's Republic of China: Antidumping Duty Order*, 82 Fed. Reg. 14349 (Mar. 20, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea and Taiwan, and Antidumping Duty Orders*, 82 Fed. Reg. 24096 (May 25, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From the Republic of Korea: Countervailing Duty Order*, 82 Fed. Reg. 24103 (May 25, 2017).

<sup>287</sup> See CR/PR at Table ALT C-2 (subject imports minus imports from China). Cumulated subject imports were \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.* Pursuant to 19 U.S.C. § 1677(7)(I), the Commission may reduce the weight accorded to the data after the filing of the petition if there is a change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition related to the pendency of the investigations. Petitioners argue that the Commission should reduce the weight accorded to the post-petition data because the volume of subject imports declined from China and India during the first six months of 2018. Petitioners' Prehearing Brief at 48-49. Borusan argues that lower subject import volumes during interim 2018 were not due to post-petition effects because the majority of LDWP imported in interim 2018 was purchased (or agreed upon to be purchased) long before the filing of the petitions. Borusan's Prehearing Brief at 45.

The record indicates that cumulated subject imports of LDW line pipe were \*\*\* percent lower in interim 2018 than in interim 2017. See CR/PR at Table ALT C-2. Nonetheless, the record does not reflect an effect on import volumes related to the pendency of the investigations. Although there was a decline in subject imports from India as noted by petitioners, the decline in subject imports from India occurred in November and December 2017 before the petitions were filed in January 2018. See CR/PR at Table D-17. Subject imports from Canada, Greece, and Korea were all higher in interim 2018 than interim 2017. See CR/PR at Table ALT C-2. It appears that the fluctuations in the level of imports reflect the project-based nature of demand for LDW line pipe rather than the effects of the investigations. Accordingly, we do not accord reduced weight to interim 2018 data.

<sup>288</sup> CR/PR at Table ALT C-2

<sup>289</sup> CR/PR at Table ALT C-2. Cumulated subject imports of LDW line pipe were \*\*\* percent of apparent U.S. consumption in interim 2017 and \*\*\* percent in interim 2018. *Id.*

supplied these projects for reasons unrelated to price or cost.<sup>290</sup> Respondents argued that the import volumes accounted for by these projects should not be counted as subject imports for the Commission's analysis of volume effects.<sup>291</sup> As we explain below, we do not find that the record supports these arguments.

The Valley Crossing project was one of the larger pipeline projects supplied by subject imports during the POI and partially accounts for the increase in subject imports from India.<sup>292</sup> Although the purchaser's \*\*\*.<sup>293</sup> The record also shows that the domestic producer bidding on the project could have supplied the vast majority of the LDW line pipe required for the project and that the Indian producer's winning bid \*\*\* than the domestic producer's losing bid.<sup>294</sup>

The Mountain Valley project was another large pipeline project during the POI that partially accounts for the increase in subject imports from India during 2017.<sup>295</sup> After domestic producer Welspun Tubular won the contract for the Mountain Valley project in 2016 based on supplying the project with domestically produced LDW line pipe, Welspun Tubular realized that its raw material costs would be higher than anticipated due to the antidumping and countervailing duty orders imposed on hot-rolled steel from Korea in October 2016. Welspun Tubular then decided to import subject product from its parent in India to supply the project instead of producing the LDW line pipe for the project in the United States.<sup>296</sup>

Respondents contend that the subject imports for the Mountain Valley project were non-injurious because they did not underbid a domestic producer and there was no lost sale.<sup>297</sup> While we recognize that subsequent events increased production costs for Welspun Tubular, the availability of lower-cost subject imports enabled the company to serve the Mountain Valley project with subject imports instead of domestic production. The shift to subject imports resulted in reduced production, shipments, and sales for Welspun Tubular's domestic operations, and in turn, the domestic LDW line pipe industry as a whole during 2017.<sup>298 299</sup> We

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<sup>290</sup> Borusan's Prehearing Brief at 40-41; Evraz's Prehearing Brief at 45-47; Borusan's Posthearing Brief at 9; Turkish Producers and Exporters' Posthearing Brief at 9.

<sup>291</sup> Borusan's Prehearing Brief at 40-41; Evraz's Prehearing Brief at 45-47; Borusan's Posthearing Brief at 9; Turkish Producers and Exporters' Posthearing Brief at 9.

<sup>292</sup> CR at IV-5 n.4; V-8 n.9; PR at IV-4 n.4, V-5 n.9. Evraz estimates that this sale accounted for \*\*\* short tons of LDW line pipe from India in 2017. Evraz's Final Comments at 4.

<sup>293</sup> \*\*\*. The purchaser's \*\*\*. \*\*\*.

<sup>294</sup> Petitioners submitted a \*\*\*. Petitioners' Prehearing Brief, Exhibit 1; CR at V-8 n.9; PR at V-5 n.9. The Commission sought the specific bid information for this project. However, \*\*\* declined to provide the bid data for the project though it was asked by Staff to provide the bid information in order to complete its questionnaire response. Borusan's Prehearing Brief at Exhibit 21 at 2. Considering \*\*\* incomplete questionnaire response and the declaration from \*\*\*, we conclude that a lower price was a primary reason that \*\*\* purchased LDW line pipe from India for the Valley Crossing project.

<sup>295</sup> See CR at IV-5 n.4; CR at F-32; PR at IV-4 n.4, F-2. Evraz states that the volume of LDW line pipe from India imported by Welspun in 2017 for the Mountain Valley project was \*\*\* short tons. See Evraz's Posthearing Brief, Exhibit 1 at 26.

<sup>296</sup> See, e.g., Evraz's Final Comments at 3.

<sup>297</sup> Borusan's Prehearing Brief at 43; Evraz's Prehearing Brief at 48.

<sup>298</sup> See Welspun Tubular's Questionnaire Response at II-8 and II-9a.

therefore do not agree with respondents that the volume of subject imports imported specifically for the Mountain Valley project should be discounted or even subtracted from cumulated subject imports during 2017.<sup>300</sup>

Thus, we find that the subject imports' lower cost or lower price contributed substantially to the Valley Crossing and Mountain Valley projects being supplied by subject imports. Accordingly, we do not subtract the volume of subject imports for these projects from the total volume of cumulated subject LDW line pipe imports as respondents have urged.

In view of the foregoing, we find that the volume of cumulated subject imports of LDW line pipe is significant in both absolute terms and relative to apparent U.S. consumption.

### 3. Price Effects of the Cumulated Subject Imports of LDW Line Pipe

As addressed in section VI.B.1.c above, the record indicates that there is a high degree of substitutability between subject imports and the domestic like product as they are made to the same specifications for pipeline projects. Price, along with other factors such as quality and consistency, is an important factor in purchasing decisions.

In these final investigations, because of the concentration of transactions being awarded through a bid process, the Commission collected bid data at the request of the parties who argued that quarterly price comparison data were not useful in the preliminary phase of the investigations.<sup>301</sup>

The Commission requested U.S. purchasers to provide the bid data for their five largest purchases of LDW line pipe since January 1, 2015 that involved at least one bid from a U.S. producer and least one bid from a supplier of LDW line pipe from subject sources.<sup>302</sup> Thirty-five of 43 purchasers of LDWP indicated that they use a bidding process for their purchases.<sup>303</sup> Eighteen purchasers provided information for 77 LDW line pipe bidding events.<sup>304</sup>

Cumulated subject import quotes were lower than domestic producers' bids in 59 of 100 instances.<sup>305</sup> Subject imports won bidding for projects in 22 instances when there was

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<sup>299</sup> In fact, at the Preliminary Staff Conference, a witness for Welspun Tubular, which did not support the petitions at that time, testified that the decision to move the volume to India was injurious to Welspun's U.S. manufacturing. Conf. Tr. at 127 (Fisher) ("In fact, the only U.S. producer harmed by this unfortunate situation was Welspun's U.S. manufacturing facility.")

<sup>300</sup> We note further that even without these imports included in the volume of LDW line pipe imports from India in 2017, subject imports from India increased over 450 percent from 2015 to 2017 and we would still find the volume of cumulated subject imports significant on this record. See CR/PR at Table ALT C-2.

<sup>301</sup> See USITC Pub. 4768 at 29, 39 n.189.

<sup>302</sup> CR at V-7 to V-8; PR at V-5.

<sup>303</sup> CR at V-6; PR at V-4.

<sup>304</sup> CR at V-8, F-2; PR at V-5, F-2.

<sup>305</sup> CR/PR at Table V-4. Cumulated subject imports underbid domestic producers by an average margin of 16.5 percent and overbid by an average margin of 10.6 percent. *Id.*

more than one source reported.<sup>306</sup> In 17 of the 22 instances when subject imports won the sale, the subject imports' bids were lower than the domestic producers' bid for a LDW line pipe project.<sup>307</sup> In 10 of the 17 instances in which the subject imports' bids were lower than the domestic producer's bid, the winning bid from the subject imports was also the lowest bid submitted.<sup>308</sup> In the 12 instances in which the subject imports winning bid was not the lowest-priced bid for a LDW line pipe project, the bids were still lower than the domestic producer's bid in seven instances.<sup>309</sup>

We have also considered the lost sales data for LDW line pipe. Thirty-two purchasers reported they had purchased LDW line pipe from subject sources instead of the domestic product. Twenty-nine purchasers indicated that the LDW line pipe from subject sources was lower-priced. Further, 20 of the 29 purchasers indicated that the lower price of the subject imports was a primary reason for their decision to purchase subject imports. These 20 purchasers reported purchasing \*\*\* short tons of subject imports (not including subject imports from China) during the POI.<sup>310</sup> We also already have found that the Valley Crossing project discussed above was lost to low-priced subject imports.<sup>311</sup> We calculate that a total volume of \*\*\* short tons of sales were lost to cumulated subject imports—an amount equivalent to \*\*\* percent of total apparent U.S. consumption during the POI.<sup>312</sup> In sum, a substantial portion of apparent U.S. consumption has been confirmed by purchasers as having been awarded to the cumulated subject imports during the POI for price-related reasons.

Respondents argued that the volume of lost sales due to price should be discounted because purchasers indicated that other considerations in addition to lowest price are also

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<sup>306</sup> CR/PR at Tables D-19 and V-5 (not including China). Subject sources also won the bidding in 7 instances when the purchaser only identified the winning bidder. *Id.*; CR at V-14; PR at V-8.

<sup>307</sup> CR/PR at D-19 and Table V-5 (not including China).

<sup>308</sup> CR/PR at D-19 and Table V-5 (not including China).

<sup>309</sup> CR/PR at D-19 and Table V-5 (not including China). Domestic producers won the bidding in 34 instances in which bids were reported for both domestic and subject sources. *Id.* In 19 of the 34 instances when a domestic producer won the bidding against a subject source, the domestic producer's bid was not the lowest priced bid. *Id.* In another four instances the bids from subject sources were not reported by the purchaser. *Id.*; CR at V-14; PR at V-8.

<sup>310</sup> CR/PR at Table V-9.

<sup>311</sup> In our discussion of the volume of subject imports, we also explained that the \*\*\* short ton Valley Crossing project was also lost to lower-priced subject imports. We note that estimates vary for the total volume of subject imports for this project. *See* CR at V-8 n.9.; PR at V-5 n.9; Evraz's Final Comments at 4.

<sup>312</sup> *See* CR/PR at Tables V-9 and ALT C-2. Cumulated subject imports totaled \*\*\* short tons during the POI. The \*\*\* short tons of lost sales (not including negligible subject imports from China) represent \*\*\* percent of cumulated subject imports. As noted, Enbridge, the \*\*\* purchaser of LDW line pipe, did not provide the requested bid data. If the \*\*\* short tons of subject imports for Enbridge's Valley Crossing project are added to the lost sales analysis, lost sales represent \*\*\* percent of cumulated subject imports of LDW line pipe during the POI. Similarly, the \*\*\* short tons of lost sales are equivalent to \*\*\* percent of the 7,785,416 short tons of total apparent U.S. consumption of LDW line pipe during the POI. *See* CR/PR at Table ALT C-2.

important.<sup>313</sup> We do not dispute that factors other than price can be critical considerations in purchase decisions. This is reflected in the range of factors market participants ranked in their questionnaire responses when asked to assess how factors other than price were significant in sales and the most important purchasing factors. As discussed above, the record indicates that other considerations, such as availability and quality, are important in addition to price, but purchasers clearly indicated that price was “a primary reason” for the lost sales in their questionnaire responses.<sup>314</sup>

The large volume of lost sales of LDW line pipe when price was a primary reason for the purchase supports a finding that cumulated subject imports of LDW line pipe were often priced lower than the domestic like product and that subject imports gained sales as a result of lower prices. Given the underbidding by the subject imports and the large volume of resulting lost sales, we find that the underselling by cumulated subject imports was significant during the POI and placed downward pressure on prices.<sup>315 316</sup>

We also consider whether the subject imports of LDW line pipe had significant price-depressing effects. Price trends are difficult to discern in these investigations because quarterly

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<sup>313</sup> See, e.g., Borusan’s Final Comments and 10-11.

<sup>314</sup> We have taken into account the narratives provided by purchasers contained in the questionnaires and as summarized in Table V-8 and Appendix F. Further, 32 of 43 purchasers reported that they always or usually purchase the lowest priced LDWP. See CR at II-27; PR at II-18 (of the 33 responding purchasers the primarily purchased LDW line pipe, 22 reported that they always or usually purchase the lowest priced LDWP). We also note that Borusan highlights purchaser \*\*\*. Borusan’s Final Comments and 10-11. \*\*\*, which is consistent with price being an important factor. See CR/PR at Table V-8.

<sup>315</sup> Seventeen of 35 purchasers reported that suppliers are usually or sometimes afforded more than one opportunity to bid on a project. CR at V-6; PR at V-4. There was hearing testimony that U.S. producers were asked to reduce prices in rounds of bidding. Hearing Tr. at 102 (Clark, Riemer). Moreover, petitioners have documented several projects for which domestic producers revised their bids downward when facing competition from subject imports. See Petitioners’ Posthearing Brief at 10-11 (\*\*\*). The record also indicates that purchasers will seek discussions with producers and ask for price concessions. CR at V-8 n.9; PR at V-5 n.9. See also Petitioners’ Posthearing Brief, Exhibits 29 and 30 (Berg had four proposals for Valley Crossing project). We also have considered the lost revenue information reported by purchasers. Of the eight responding purchasers, three reported that U.S. producers had reduced prices in order to compete with lower-priced imports from Canada. CR at V-25; PR at V-13; CR/PR at Table V-10.

<sup>316</sup> Borusan has highlighted \*\*\* questionnaire to argue that the Commission cannot take at face value a purchaser who has responded ‘yes’ to the question of whether price was a primary reason if subject imports were purchased instead of domestic product. It argues that \*\*\* of the winning subject import bids was awarded primarily on the basis of price, citing to Table V-3 of the Staff Report, and states that for each of the \*\*\* largest winning bids, a reason other than price was provided. Borusan’s Final Comments at 7-8. Table V-3 shows, however, that price and/or cost was among the reasons listed for \*\*\* of these projects. We note also that as shown in Table V-8, \*\*\*. The Commission has not simply accepted the premise that there is a significant volume of lost sales. Rather, the Commission has considered the complete purchasers’ responses provided in their questionnaires and detailed in Parts II and V of the Staff Report, along with the record evidence developed in these investigations.

pricing data are not a relevant measure in this industry. Domestic producers' sales values decreased over the POI, but demand for LDW line pipe was weak.<sup>317</sup> Apparent U.S. consumption declined by 29.4 percent from 2015 to 2017.<sup>318</sup> Further, the domestic industry's unit cost of goods sold (COGS) decreased overall between 2015 and 2017, reflecting lower costs for the domestic industry.<sup>319</sup> Accordingly, we cannot conclude that the cumulated subject imports had significant price-depressing effects on the prices of the domestic like product.

We also have considered whether the domestic industry's prices for LDW line pipe were suppressed during the POI. As noted, the domestic industry reported lower costs from 2015 to 2017.<sup>320</sup> We generally would not expect the domestic industry to be able to increase its prices when its costs and U.S. demand are decreasing.<sup>321</sup> The domestic industry's unit COGS were \$\*\*\* higher in interim 2018 than in interim 2017.<sup>322</sup> However, the domestic industry's net sales values were also \$\*\*\* higher in interim 2018 than in interim 2017, suggesting that the domestic industry's prices were not suppressed during interim 2018.<sup>323</sup> Accordingly, we do not find that the cumulated subject imports prevented price increases, which otherwise would have occurred, to a significant degree.

We have considered the significant underselling reflected in the bid data and the lost sales involving a substantial volume of LDW line pipe and find that the underselling led to substantial volumes of subject imports of LDW line pipe purchased instead of the domestic product.

For the foregoing reasons, we find that cumulated subject imports of LDW line pipe have had significant price effects on the domestic industry.

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<sup>317</sup> See CR/PR at Table ALT C-2.

<sup>318</sup> See CR/PR at Table ALT C-2.

<sup>319</sup> See CR/PR at Table ALT C-2.

<sup>320</sup> See CR/PR at Table ALT C-2.

<sup>321</sup> See CR/PR at Table ALT C-2.

<sup>322</sup> See CR/PR at Table ALT C-2.

<sup>323</sup> See CR/PR at Table ALT C-2.



#### 4. Impact of the Cumulated Subject Imports of LDW Line Pipe<sup>324</sup>

As discussed above, cumulated subject imports captured a large volume of sales of LDW line pipe during the POI. Cumulated subject imports' share of apparent U.S. consumption first decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016, but then increased to \*\*\* percent in 2017, an overall increase of \*\*\* percentage points.<sup>325</sup> The domestic industry lost \*\*\* percentage points of market share from 2015 to 2017 with domestic producer Evraz excluded, as its share of apparent U.S. consumption was \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017.<sup>326</sup>

Each of the domestic LDW line pipe industry's output indicia declined from 2015 to 2017, and declines in production and shipments exceeded the 29.4 percent decline in apparent U.S. consumption during the POI.<sup>327</sup> From 2015 to 2017, the domestic industry's production declined by \*\*\* percent,<sup>328</sup> its capacity declined by \*\*\* percent,<sup>329</sup> its capacity utilization

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<sup>324</sup> The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination, Commerce found antidumping duty margins of 16.85 percent for imports from India. *Large Diameter Welded Pipe From India: Final Determination of Sales at Less Than Fair Value; 2017*, 83 Fed. Reg. 56811 (Nov. 14, 2018). Commerce also preliminarily found antidumping duty margins of 24.38 percent for imports from Canada, 7.45 percent for imports from Greece, 14.97 to 22.21 percent for imports from Korea, and 3.45 to 5.29 percent for imports from Turkey. *Large Diameter Welded Pipe from Canada: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 Fed. Reg. 43649 (Aug. 27, 2018); *Large Diameter Welded Pipe From Greece: Amended Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 48795 (Sep. 27, 2018); *Large Diameter Welded Pipe From the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43651 (Aug. 27, 2018); *Large Diameter Welded Pipe From the Republic of Turkey: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43646 (Aug. 27, 2018). We have considered these dumping margins, giving particular weight to the final margin provided by Commerce for subject imports from India. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling and price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

<sup>325</sup> See CR/PR at Table ALT C-2. Subject imports' market share was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>326</sup> CR/PR at Table ALT C-2. The domestic industry's market share was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>327</sup> See CR/PR at Table ALT C-2.

<sup>328</sup> The domestic industry's production declined from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and \*\*\* short tons in 2017. CR/PR at Table ALT C-2. Its production was \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.*

<sup>329</sup> The domestic industry's capacity increased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and then decreased to \*\*\* short tons in 2017. CR/PR at Table ALT C-2. Its capacity was \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.*

declined by \*\*\* percentage points,<sup>330</sup> and its U.S. shipments, by quantity, declined by \*\*\* percent.<sup>331</sup> After the substantial decline from 2015 to 2016, apparent U.S. consumption was 1.3 percent higher in 2017 than in 2016, but the domestic industry, in contrast to subject imports, was unable to take advantage of this modest increase in demand. In 2017, the domestic industry's capacity, production, and shipments (by quantity) were lower than the prior year, declining by \*\*\* percent, \*\*\* percent and \*\*\* percent, respectively, compared to 2016.<sup>332</sup>

The domestic industry's employment indicia also showed sharp declines over the POI. From 2015 to 2017, the domestic industry reduced its workforce by \*\*\* production and related workers, a decline of \*\*\* percent.<sup>333</sup> Hours worked declined by \*\*\* percent and wages paid declined by \*\*\* percent from 2015 to 2017.<sup>334</sup> Hourly wages decreased by \*\*\* percent from 2015 to 2017,<sup>335</sup> and productivity declined overall from 2015 to 2017.<sup>336</sup> The industry's capital expenditures declined by \*\*\* percent during the three-year period.<sup>337</sup>

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<sup>330</sup> The domestic industry's capacity utilization declined from \*\*\* percent in 2015 to \*\*\* percent in 2016 and \*\*\* percent in 2017. CR/PR at Table ALT-C-2. Its utilization rate was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>331</sup> By quantity, U.S. producers' U.S. shipments declined from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and \*\*\* short tons in 2017. CR/PR at Table ALT C-2. Its U.S. shipments were \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.*

The domestic industry had decreasing inventories during most of the POI. U.S. producers' end-of-period inventories decreased from 2015 to 2017, declining from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and \*\*\* short tons in 2017. CR/PR at Table ALT C-2. They were \*\*\* short tons in interim 2017 and \*\*\* in interim 2018. *Id.* The ratio of U.S. producers' end-of-period inventories to U.S. shipments decreased from 2015 to 2017 and then was higher in interim 2018 compared to interim 2017. *Id.*

<sup>332</sup> See CR/PR at Table ALT C-2.

<sup>333</sup> The number of production and related workers was \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017. CR/PR at Table ALT C-2. Production workers totaled \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>334</sup> Total hours worked were \*\*\* hours in 2015, \*\*\* hours in 2016, and \*\*\* hours in 2017. CR/PR at Table ALT C-2. They were \*\*\* hours in interim 2017 and \*\*\* hours in interim 2018. *Id.* Wages paid were \$\*\*\* in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. CR/PR at Table ALT C-2. They were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

<sup>335</sup> Hourly wages were \$\*\*\* per hour in 2015, \$\*\*\* per hour in 2016, and \$\*\*\* per hour in 2017. CR/PR at Table ALT C-2. They were \$\*\*\* per hour in interim 2017 and \$\*\*\* per hour in interim 2018. *Id.*

<sup>336</sup> Productivity was \*\*\* shorts tons per hour in 2015, \*\*\* short tons per hour in 2016, and \*\*\* short tons per hour in 2017. CR/PR at Table ALT C-2. Productivity was \*\*\* short tons per hour in interim 2017 and \*\*\* short tons per hour in interim 2018. *Id.*

<sup>337</sup> The domestic industry's capital expenditures were \$\*\*\* in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. CR/PR at Table ALT C-2. They were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018.

The LDW line pipe industry's research and development expenses were \$\*\*\* in 2015, \$\*\*\* in 2016 and \$\*\*\* in 2017. CR/PR at Table ALT C-2. They totaled \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

The domestic industry's unit net sales values,<sup>338</sup> total sales revenues,<sup>339</sup> gross profits, operating income, operating income to sales ratio and net income all decreased overall from 2015 to 2017,<sup>340</sup> but the industry experienced a small increase in its net income to sales ratio during the same period.<sup>341</sup> All domestic producers of LDW line pipe reported negative effects on their operations from the subject imports.<sup>342</sup>

We find that subject imports had a significant impact on the domestic industry. Low-priced subject imports underbid domestically produced LDW line pipe and captured a substantial volume of sales from the domestic industry during the POI. Declines in the domestic industry's production, shipments, and sales outpaced the decrease in demand between 2015 and 2016, and the declines in these indicators continued despite some improvement in demand in 2017. As a result, the domestic industry's capacity utilization, employment, sales, revenues, and profits were lower than they would have otherwise been during 2015 to 2017.

Data from the interim periods lend further support to our finding that the subject imports adversely affected the domestic industry during the POI. When subject imports were lower in interim 2018, the domestic industry's production, shipments, sales values, and revenues were all higher than they had been in interim 2017, despite lower apparent U.S. consumption in interim 2018.<sup>343</sup> In light of these considerations, we find that subject imports had a significant adverse impact on the domestic industry.

We have considered whether there are other factors that may have had an impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. As discussed above, nonsubject imports decreased their

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<sup>338</sup> The industry's average unit net sales value declined from \$\*\*\* per short ton in 2015 to \$\*\*\* per short ton in 2016 and then increased slightly to \$\*\*\* per short ton in 2017. CR/PR at Table ALT C-2. They were \$\*\*\* per short ton in interim 2017 and \$\*\*\* per short ton in interim 2018. *Id.*

<sup>339</sup> The domestic industry's total sales revenues declined from \$\*\*\* in 2015 to \$\*\*\* in 2016, and then to \$\*\*\* in 2017. CR/PR at Table ALT C-2. They totaled \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

<sup>340</sup> Gross profits decreased from \$\*\*\* in 2015 to \$\*\*\* in 2016 and then increased to \$\*\*\* in 2017. CR/PR at Table ALT C-2. They totaled \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.* Operating income declined from \$\*\*\* in 2015 to \$\*\*\* in 2016, but then increased to \$\*\*\* in 2017. *Id.* Operating income was \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.* Operating income as a ratio of net sales declined from \*\*\* percent in 2015 to \*\*\* percent in 2016, but then increased to \*\*\* percent in 2017. *Id.* The ratio was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.* The domestic industry's net income was \$\*\*\* in 2015, \*\*\* in 2016, and \$\*\*\* in 2017. CR/PR at Table ALT C-2. Net income was \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

<sup>341</sup> Net income as a ratio of net sales declined from \*\*\* percent in 2015 to \*\*\* percent in 2016, but then increased to \*\*\* percent in 2017. CR/PR at Table ALT C-2. The ratio was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.* The LDW line pipe industry's return on assets expressed as a ratio of operating income to net assets declined from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then improved to \*\*\* percent in 2017. Calculated from U.S. producer questionnaires.

<sup>342</sup> See CR/PR at Tables VI-6 and VI-7.

<sup>343</sup> See CR/PR at Table ALT C-2.

presence in the U.S. market over the POI.<sup>344</sup> Furthermore, while apparent U.S. consumption decreased overall from 2015 to 2017, this overall decrease cannot explain the domestic industry's continued declines in output and revenues during 2017 when demand improved. Nor does it explain the modest improvements in some of the domestic industry's indicators during interim 2018 when subject imports were lower than in interim 2017. Thus, other factors cannot explain the loss in output and revenues that we have attributed to the cumulated subject imports.

Respondents have argued that the domestic industry does not produce many of the specific products that purchasers required and that these were only available from the subject import sources. While we recognize that there may be a limited number of certain LDW line pipe products that the U.S. industry does not make, we find that domestic sources in many instances do have the manufacturing capability or can offer comparable products.<sup>345</sup> Moreover, the limited domestic products not available from domestic producers do not explain the large volume of sales lost to subject imports in which price was a primary reason for the purchasing decision.

For the foregoing reasons, we find that the domestic industry producing LDW line pipe is suffering material injury by reason of cumulated subject imports from Canada, Greece, India, Korea, and Turkey.

## **C. Threat of Material Injury by Reason of Cumulated Subject Imports of LDW Line Pipe**

### **1. Legal Standard**

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is

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<sup>344</sup> See CR/PR at Table ALT C-2. Nonsubject imports declined in absolute terms and as a percentage of apparent U.S. consumption.

<sup>345</sup> Availability was the third highest rated purchasing factor (after price and quality), but purchasers most often identified availability as a primary non-price reason for purchasing imported rather than domestically produced LDWP. CR at V-20; PR at V-12; CR/PR at Table II-6. Petitioners indicate that the domestic industry produces virtually all LDW line pipe products, including a 26-inch LSAW product that is interchangeable with 26-inch outside diameter ERW LDW line pipe that they do not produce. Petitioners' Posthearing Brief, Exhibit 1 at 32-36. The record also indicates that domestic producers bid on projects with proposals to use comparable products and purchasers considered the alternative products and sometimes awarded projects with specifications that differed from the original RFQ. For instance, the Valley Crossing RFQ initially specified LDW line pipe in 40 foot and 80 foot lengths but the project was ultimately awarded to Welspun for pipe in 60 foot lengths. CR at V-8 n.9; CR at V-5 n.9. Indeed, 24 of 34 purchasers reported that they, at least sometimes, permitted suppliers to bid with an offer outside their specified products. CR at V-7; PR at V-4.

accepted.”<sup>346</sup> The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.<sup>347</sup> In making our determination, we consider all statutory threat factors that are relevant to these investigations.<sup>348</sup>

## 2. Cumulation for Threat

As explained above, while we find that subject imports of LDW line pipe from China are negligible in the antidumping duty investigation for purposes of present material injury, we find them not negligible for purposes of our threat of material injury analysis when collectively

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<sup>346</sup> 19 U.S.C. § 1677(7)(F)(ii).

<sup>347</sup> 19 U.S.C. § 1677(7)(F)(ii).

<sup>348</sup> These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

...

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

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

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to this investigation.

considered with LDW line pipe imports from Greece in assessing the potential to exceed the negligibility thresholds. Therefore, we consider whether to cumulate subject imports of LDW line pipe from China with other subject imports eligible for cumulation for purposes of our threat of material injury analysis in the antidumping duty investigation regarding LDW line pipe from China. In contrast to cumulation for material injury, cumulation for a threat analysis is discretionary. Under Section 771(7)(H) of the Tariff Act, the Commission may “to the extent practicable” cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.<sup>349</sup> Subject imports from Canada, Greece, India, Korea, and Turkey are eligible for cumulation with dumped subject imports from China for purposes of the threat of material injury analysis.<sup>350</sup>

Petitioners argue that volume and pricing trends further support the cumulation of imports from all subject countries for the purposes of a threat analysis. They argue that the volume and price trends of subject imports on a country basis display a similar trend for most of the subject countries.<sup>351</sup>

Borusan argues that subject imports from Turkey should not be cumulated with other subject suppliers for purposes of a threat analysis. It argues that subject imports from Turkey of LDWP with 16 to 24-inch outside diameter are not covered by these investigations, as they are already subject to an order. Finally, it argues that Turkey is subject to a 50 percent tariff on its imports, while other countries are either subject to a 25 percent tariff or a quota.<sup>352</sup>

Evraz argues that subject imports from Canada should not be cumulated with other subject imports for purposes of a threat analysis for many of the same reasons that it contends they should not be cumulated for present material injury. It also argues that sales of LDW line pipe from Canada declined from 2015 to 2017 and then were higher during interim 2018, a different trend than imports from some other subject sources.<sup>353</sup>

Corinth claims that it supplies four categories of subject pipe that are not available from U.S. producers or other subject sources, including 26-inch outside diameter ERW line pipe. It claims that more than \*\*\*. Finally, Corinth argues that subject imports from Greece follow different volume and pricing patterns compared with other subject imports. It concludes that it would be inappropriate to cumulate subject imports from Greece for purposes of threat of material injury.<sup>354</sup>

We previously found in section V.B. that there is a reasonable overlap of competition between subject imports from the five subject countries other than China, and between subject imports from each source and the domestic like product. The considerations discussed above

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<sup>349</sup> 19 U.S.C. § 1677(7)(H).

<sup>350</sup> See 19 U.S.C. § 1677(7)(H); see generally *Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290 (Final), USITC Pub. 4637 at 24 (Sept. 2016).

<sup>351</sup> Petitioners’ Prehearing Brief at 75-76.

<sup>352</sup> Borusan’s Prehearing Brief at 82-83.

<sup>353</sup> Evraz’s Posthearing Brief at 13-14.

<sup>354</sup> Corinth’s Prehearing Brief at 27-30; Corinth’s Posthearing Brief at 4.

concerning reasonable overlap of competition apply equally to subject imports from China, as discussed below.

*Fungibility.* There is a high degree of substitutability between domestically produced LDW line pipe and LDW line pipe imported from subject sources.<sup>355</sup> LDW line pipe, regardless of source, is generally produced in accordance with API standards.<sup>356</sup> When comparing the domestic LDWP product to LDWP subject imports from China, the majority of responding U.S. producers and importers reported that the domestic product and imports from China are “always” or “frequently” used interchangeably.<sup>357</sup> When comparing LDWP subject imports from China and the other five subject countries, a majority of U.S. producers and importers indicated that LDWP from each subject source is “always” or “frequently” used interchangeably.<sup>358</sup> When comparing subject imports from China with LDWP from other sources, a majority of responding purchasers indicated that subject imports from China are “always” or “frequently” used interchangeably.<sup>359</sup>

Most U.S. producers and importers reported that there were only “sometimes” or “never” differences other than price in comparisons between imports from subject countries including China and between subject imports and domestic LDWP.<sup>360</sup> Purchasers of line pipe provided more mixed responses, frequently indicating there were differences other than price between imports from subject countries and between subject imports and domestic LDWP.<sup>361</sup> The vast majority of purchasers indicated that subject imports from all sources and domestic producers could meet minimum quality requirements.<sup>362</sup> Purchasers ranked imports from each subject country as comparable to the domestic like product on the vast majority of purchase factors although the domestic product was sometimes rated superior with respect to delivery time, reliability of supply, and inferior with respect to price.<sup>363</sup>

*Channels of Distribution.* Subject imports of LDW line pipe (including those from China) and the domestic like product shared the same general channels of distribution. During the period of investigation, domestic producers and importers of subject imports from Canada,

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<sup>355</sup> See CR at II-24; PR at II-16.

<sup>356</sup> See CR at I-23 to I-24; PR at I-18.

<sup>357</sup> CR/PR at Table II-12.

<sup>358</sup> CR/PR at Table II-12.

<sup>359</sup> See CR/PR at Table II-12. A majority of responding purchasers indicated that subject imports from China were “sometimes” or “frequently” used interchangeably with the domestic product. *Id.* We have also considered the information with responses removed for the 10 purchasers’ that primarily purchase LDW structural pipe. See CR at II-26 n.25; PR at II-27 n.25. Half or more of these responding purchasers indicated that subject imports from China were “sometimes” or “frequently” used interchangeably with the domestic product or subject imports from other sources.

<sup>360</sup> See CR/PR at Table II-14.

<sup>361</sup> We have also considered the information with responses removed for the 10 purchasers’ that primarily purchase LDW structural pipe. See CR at II-26 n.25; PR at II-27 n.25. These purchasers indicated there are often difference other than price between subject imports from China and LDW line pipe from other sources.

<sup>362</sup> CR/PR at Table II-13.

<sup>363</sup> CR/PR at Table II-11.

Greece, India, and Turkey were sold primarily to end users.<sup>364</sup> Subject imports from Korea were sold to end users as well as distributors.<sup>365</sup> Subject imports of LDW line pipe from China were more dispersed, although in 2017, a majority of U.S. shipments of imports from China was to end users.<sup>366</sup>

*Geographic Overlap.* U.S. producers reported selling LDWP to all regions of the contiguous United States.<sup>367</sup> Subject imports from all subject countries were sold in the Northeast and Central Southwest, and subject imports from all subject countries except Canada were present in the Southeast.<sup>368</sup>

*Simultaneous Presence in Market.* Subject imports of LDW line pipe from Canada, China, and Korea were present in the U.S. market in all 42 months of the POI, January 2015 to June 2018.<sup>369</sup> Subject imports of LDW line pipe from India were present in 30 of 42 months and subject imports of LDW line pipe from Turkey were present in 32 of 42 months.<sup>370</sup> Subject imports from Greece were present in the U.S. market in 25 of 42 months of the POI.<sup>371</sup> The record also indicates that subject producers in Canada, Greece, India, Korea, and Turkey bid in competition with domestic producers on multiple projects requiring LDW line pipe during the POI.<sup>372</sup>

*Conclusion.* We find that there is a reasonable overlap of competition between subject imports of LDW line pipe from all six subject countries and between subject imports from each subject source and the domestic like product. Moreover, there is no information on the record to suggest that the reasonable overlap of competition between and among subject imports eligible for cumulation and the domestic like product that now exists will not continue into the imminent future. We recognize the potential for some differences in conditions of competition and volume trends among subject imports from the six countries, but find that they are not significant enough to warrant not cumulating dumped subject imports from China with the other subject imports eligible for cumulation.

For these reasons, we conclude that it is appropriate to exercise our discretion to cumulate subject imports from all sources for our analysis of whether there is a threat of material injury to the domestic industry from subject imports from China.

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<sup>364</sup> See CR/PR at Table D-11.

<sup>365</sup> See CR/PR at Table D-11.

<sup>366</sup> See CR/PR at Table D-11.

<sup>367</sup> CR/PR at Table II-2.

<sup>368</sup> CR/PR at Table II-2.

<sup>369</sup> CR/PR at Table D-17.

<sup>370</sup> CR/PR at Table D-17.

<sup>371</sup> CR/PR at Table D-17.

<sup>372</sup> See CR/PR at Tables V-4. Based on the bid data collected in these investigations, subject producers in Canada submitted 32 bids on LDW line pipe projects in the United States. Subject producers in Greece submitted 28 bids, subject producers in India submitted eight bids, subject producers in Korea submitted 16 bids, and subject producers in Turkey submitted 16 bids on LDW line pipe projects. *Id.* Subject producers in China submitted six bids on LDW line pipe projects, but only one in competition with other sources. *Id.*



### 3. Analysis

#### a. Likely Volume of Subject Imports.

We found in section VI.B.2 above that the volume of cumulated subject imports from Canada, Greece, India, Korea, and Turkey over the POI was significant in absolute terms and relative to consumption. The addition of subject imports from China to the cumulated volume of subject imports for purposes of our threat analysis lends further support to our findings regarding the likely volume of subject imports.

First, the data indicate that there is substantial existing unused capacity in the cumulated subject industries. The combined capacity for the responding industries in Canada, Greece, India, Korea, and Turkey amounted to 5.2 million short tons in 2017.<sup>373</sup> This figure is more than \*\*\* times total subject imports in 2017 and equivalent to more than twice the volume of total apparent U.S. consumption in 2017.<sup>374</sup> Excess capacity for the five countries was equivalent to 3.3 million short tons in 2017.<sup>375</sup> This amount far exceeds apparent U.S. consumption, which totaled 2.03 million short tons in 2017.<sup>376</sup>

The producers in the subject countries export in significant quantities, indicating the likelihood of substantially increased subject imports into the United States. Total export shipments of the industries in Canada, Greece, India, Korea, and Turkey increased from \*\*\* short tons in 2015 to \*\*\* short tons in 2017.<sup>377</sup> These data on subject producers' aggregate excess capacity and exports do not include data for the industry in China because no subject producers in China responded to the Commission's questionnaire.<sup>378</sup>

Public data indicate, however, that China has been one of the world's largest LDWP exporters. China's global exports of LDWP (which includes LDW line pipe) were 1.46 million short tons in 2015, and 1.33 million short tons in 2016, or 13.6 percent of total global exports in 2014, 18.4 percent in 2015, and 20 percent in 2016.<sup>379</sup>

The data also indicate that there was a significant rate of increase in cumulated subject import market penetration during the POI. Despite an overall decline in cumulated subject import volume from 2015 to 2017, subject import volume increased by \*\*\* percent from 2016 to 2017.<sup>380</sup> Cumulated subject import market share also declined from 2015 to 2016, but was

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<sup>373</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3 and G-5. No capacity information is available for China.

<sup>374</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3 and G-5.

<sup>375</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3 and G-5.

<sup>376</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3 and G-5.

<sup>377</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3 and G-5.

<sup>378</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3 and G-5. Exports from China of welded pipe over 16 inches in diameter totaled 876,801 short tons in 2017 according to public sources. CR/PR at Table VII-7.

<sup>379</sup> CR/PR at Table VII-31.

<sup>380</sup> CR/PR at Table ALT C-2. Subject imports were \*\*\* percent lower in interim 2018 than in interim 2017. *Id.*

higher in 2017, at \*\*\* percent, than in 2016, at \*\*\* percent, a rise of \*\*\* percentage points.<sup>381</sup> In comparison, apparent U.S. consumption increased by only 1.3 percent from 2016 to 2017.<sup>382</sup>

Importantly, U.S. importers reported that they have already arranged for \*\*\* short tons of subject LDW line pipe, over three-quarters of total subject import volume in 2017, to be imported in the second half of 2018.<sup>383</sup> Importers also reported additional arranged subject imports for 2019.<sup>384</sup> These arranged imports alone indicate that increased volumes of subject imports were likely in the second half of 2018 and that the Section 232 measures have not halted the increase in subject imports.<sup>385</sup> Additionally, LDW line pipe from the subject countries is subject to antidumping or countervailing duty measures in third countries.<sup>386</sup>

Moreover, responding firms from Canada, Korea, and Turkey reported that they produced \*\*\* short tons of LDW structural pipe or out-of-scope product in 2017 using the same machinery used to produce subject LDW line pipe.<sup>387</sup> Thus, there exists the potential for product-shifting. Responding producers and exporters also reported that they held \*\*\* short tons of LDW line pipe in inventory in June 2018.<sup>388</sup>

In light of the significant cumulated subject import volume and market penetration observed during the POI, the significant cumulated excess capacity of the subject industries and their demonstrated ability to supply export markets, the potential for product shifting, the already arranged subject imports, and the existing inventories of subject LDW line pipe, we find that the significant volumes of cumulated subject imports into the U.S. market that occurred during the POI will likely continue in the imminent future.

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<sup>381</sup> See CR/PR at Table ALT C-2.

<sup>382</sup> See CR/PR at Table ALT C-2.

<sup>383</sup> CR/PR at Table D-15.

<sup>384</sup> Subject imports of LDW line pipe totaling \*\*\* short tons have been arranged for the first half of 2019. CR/PR at Table D-15.

<sup>385</sup> Corinth asserts that petitioners have included new information at page 15 of their final comments in contravention of Commission Rule 207.30(b). See Letter from Frederick P. Waite to Commission Secretary Lisa R. Barton (December 4, 2018). The Commission has disregarded the new information referenced by petitioners in their final comments.

<sup>386</sup> The record indicates that Mexico and Canada have imposed antidumping or countervailing duty orders on similar line pipe products to those covered under these investigations from India, China, and Korea, among other countries. See CR/PR at Table VII-30.

<sup>387</sup> Derived from CR/PR at Tables VII-4, VII-19, and VII-24.

<sup>388</sup> Derived from CR/PR at Tables VII-3, VII-14, G-1, G-3, and G-5. We also consider the nature of the countervailable subsidies in India and Turkey. In its final countervailing duty determination concerning LDWP from India, Commerce found six programs in India to be countervailable, including export promotion and export financing, four of which appear to be export subsidies. Commerce preliminarily determined five programs in Korea to be countervailable, including Korean Export-Import Bank subsidies, grants, and tax deductions, one of which appears to be an export subsidy. Commerce preliminarily determined nine programs in Turkey to be countervailable, including the provision of inputs for less than adequate remuneration, export financing, and tax deductions and exemptions, three of which appear to be export subsidies. CR at I-11 to I-12; PR at I-9.

### **b. Likely Price Effects of Cumulated Subject Imports of LDW Line Pipe**

As explained in section VI.B.3 above, the domestic like product and subject imports are highly substitutable and price is an important consideration in purchasing decisions. We found that low-priced cumulated subject imports of LDW line pipe from Canada, Greece, India, Korea, and Turkey underbid domestic producers during the POI, and as a result, purchasers purchased large volumes of subject imports instead of domestically produced LDW line pipe. The Commission found that subject imports had significant price effects. When we add subject imports of LDW line pipe from China to the cumulated volume of subject imports for purposes of our threat analysis, our likely price effects findings are strengthened.

As discussed in section VI.B.3, 32 of 43 purchasers reported that they always or usually purchase the lowest priced LDWP.<sup>389</sup> Lower price was a primary reason for purchasing subject LDW line pipe imports rather than domestic product and purchasers reported a total of \*\*\* short tons of LDW line pipe that they purchased from subject countries other than China instead of domestic producers when price was a primary reason for the purchase.<sup>390</sup> Although there was only one reported bid on LDW line pipe projects by producers in China, the additional \*\*\* short tons of sales lost to subject imports from China lends further support to our findings with respect to likely price effects.<sup>391</sup>

We have found that cumulated subject imports are likely to continue to enter the U.S. market in increasing and significant volumes in the imminent future. The substantially increased volumes of subject imports will likely continue to be sold at lower prices and displace sales of the domestic like product, as they did during the POI. The likely low prices of the subject imports, in turn, are likely to increase demand for the subject imports and cause a reduction in the domestic industry's production, sales, and shipments in the imminent future. Accordingly, we find that cumulated subject imports are likely to enter the U.S. market in the imminent future at prices that are likely to increase demand for further imports.

### **c. Likely Impact of Cumulated Subject Imports of LDW Line Pipe**

We found in section VI.B.4 above that the domestic industry's financial performance indicators generally declined over most of the POI due to the presence of significant volumes of low-priced cumulated subject imports of LDW line pipe from Canada, Greece, India, Korea, and Turkey, which captured sales from the domestic industry. We found that, as a result, the LDW line pipe domestic industry was suffering material injury.

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<sup>389</sup> See CR at II-27; PR at II-18 (Of the 33 responding purchasers the primarily purchased LDW line pipe, 22 reported that they always or usually purchase the lowest priced LDWP).

<sup>390</sup> See CR/PR at Table V-9 (\*\*\* short tons not including China). As we have explained, we also include the volume of subject imports sold to the Valley Crossing project in the total volume of lost sales because of information in the record indicating that price was a primary reason for the award of the project to Welspun.

<sup>391</sup> See CR/PR at Table V-9.

We find that this is likely to continue in the imminent future because cumulated subject imports, including subject imports from China, are likely to continue to enter the U.S. market in increasing and significant volumes and likely to have price effects on the domestic product in the imminent future. We conclude that the significant volumes of low-priced subject imports of LDW line pipe will likely cause the domestic industry to lose additional sales and market share, which will lead to adverse effects on the domestic industry's revenues and financial performance as they did during the POI. Although duties under Section 232 cover subject imports from all sources, the duties do not appear likely to slow the influx of subject imports.<sup>392</sup> Moreover, the Section 232 duties have increased raw material costs for the domestic producers, rendering them more susceptible to further injury from the subject imports.<sup>393</sup>

In section VI.B.4, we have already considered other factors, including demand and nonsubject imports, and concluded that any injury that may be attributable to these factors is distinct from the injury attributable to the subject imports. This analysis is equally pertinent to likely conditions in the imminent future.<sup>394</sup> We therefore find that further subject imports of LDW line pipe are imminent and that material injury by reason of subject imports would occur unless orders are issued on subject imports. Accordingly, we make an affirmative determination of a threat of material injury in the antidumping duty investigation of LDW line pipe from China.

#### **D. The LDW Carbon and Alloy Steel Structural Pipe Industry is Materially Injured by Reason of Subject Imports**

##### **1. Conditions of Competition and the Business Cycle**

The following conditions of competition inform our analysis of whether there is material injury by reason of subject imports of LDW carbon and alloy steel structural pipe.

##### **a. Demand Considerations**

LDW structural pipe is used for structural or load-bearing purposes and U.S. demand for LDW structural pipe reflects demand in the nonresidential construction industry.<sup>395</sup> The value of U.S. nonresidential construction increased 19.8 percent from \$640.3 billion in January 2015 to \$767.1 billion in September 2018.<sup>396</sup>

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<sup>392</sup> See CR/PR at Tables D-15 and D-17 (arranged imports of LDW line pipe for July 2018-June 2019 and monthly imports of LDW line pipe through September 2018).

<sup>393</sup> CR at II-3; PR at II-2. The domestic industry has described numerous anticipated effects of increased volumes of subject imports of LDW line pipe. See CR/PR at Table VI-7.

<sup>394</sup> Oil and gas prices have fluctuated, but the rig count remains lower than it was at the beginning of the POI. See CR/PR at Figs II-1 and II-2. Total line pipe projects are forecast to decline slightly in 2019, but miles of pipeline are projected to increase substantially. See CR/PR at Table II-4. Thus, demand may be stronger in the imminent future.

<sup>395</sup> CR at I-24, II-19; PR at I-19, II-12.

<sup>396</sup> CR at II-19; PR at II-13; CR/PR at Fig. II-3.

In line with increases in nonresidential construction, apparent U.S. consumption of LDW structural pipe increased by \*\*\* percent from 2015 to 2017.<sup>397</sup> Apparent U.S. consumption of LDW structural pipe was \*\*\* short tons in 2015, \*\*\* short tons in 2016, and \*\*\* short tons in 2017.<sup>398</sup> Most U.S. producers reported that demand for LDWP in sectors other than oil and gas fluctuated during the POI.<sup>399</sup> A plurality of importers and purchasers indicated that demand in sectors other than oil and gas increased or remained unchanged.<sup>400</sup>

## b. Supply Considerations

LDW structural pipe is typically made to order for nonresidential construction projects and most LDW structural pipe is shipped directly to end users.<sup>401</sup> Only a relatively small portion of LDW structural pipe is shipped from inventory.<sup>402</sup> Domestic producers and importers generally reported lead times averaging 86 and 162 days, respectively.<sup>403</sup>

The domestic LDW structural pipe industry's capacity increased \*\*\* percent from 2015 to 2017.<sup>404</sup> LDW structural pipe producers \*\*\* reported workforce reductions or capacity reductions.<sup>405</sup> \*\*\* reported expansions in their operations.<sup>406</sup>

The domestic LDW structural pipe industry had the largest share of the U.S. market during the POI. The domestic industry's market share decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then to \*\*\* percent in 2017, for an overall decline of \*\*\* percentage points.<sup>407</sup>

Cumulated subject imports of LDW structural pipe were the second largest source of supply to the U.S. market.<sup>408</sup> Cumulated subject imports increased their share of apparent U.S.

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<sup>397</sup> CR/PR at Table ALT C-5.

<sup>398</sup> CR/PR at Table ALT C-5. Apparent U.S. consumption was \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.*

<sup>399</sup> CR/PR at Table II-4.

<sup>400</sup> CR/PR at Table II-4.

<sup>401</sup> Petitioners estimated that approximately 90 percent of LDWP purchased for structural applications is produced-to-order for specific projects. CR at II-1 n.3; PR at II-1 n.3. Between \*\*\* and \*\*\* percent of shipments of LDW structural pipe were sold to end users other than oil and gas end users and between \*\*\* and \*\*\* percent of shipments were sold to distributors over the POI. CR/PR at Table ALT C-5.

<sup>402</sup> CR at II-24; PR at II-16. U.S. producers reported that \*\*\* percent of their commercial shipments of LDW structural pipe was sold through inventories. CR at II-24 n.24; PR at II-16 n.24.

<sup>403</sup> CR at II-24; PR at II-16. As previously discussed, carbon and alloy steel LDWP is produced by one of three production processes in the United States: ERW, HSAW, or LSAW. CR at I-27 to I-28; PR at I-20 to I-21. *See* CR/PR at Table I-5.

<sup>404</sup> CR/PR at Table ALT C-5.

<sup>405</sup> CR/PR at Table III-3.

<sup>406</sup> CR/PR at Table III-3.

<sup>407</sup> CR/PR at Table ALT C-5. The domestic industry's market share was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>408</sup> We did not cumulate subject imports of LDW structural pipe from Greece with subject imports from other sources eligible for cumulation because the record indicates that there was not a (Continued...)

consumption overall. Their share slightly decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then increased to \*\*\* percent in 2017, for an overall increase of \*\*\* percentage points.<sup>409</sup>

Nonsubject imports were the smallest source of supply to the U.S. market during the POI.<sup>410</sup> Nonsubject imports' share of apparent U.S. consumption increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then decreased to \*\*\* percent in 2017, for an overall increase of \*\*\* percentage points.<sup>411</sup>

### c. Substitutability and Other Conditions

LDW structural pipe is typically produced to ASTM standards.<sup>412</sup> There is a high degree of substitutability between domestically produced LDW structural pipe and subject imports.<sup>413</sup> The degree of substitutability depends upon such factors as relative prices, quality (*e.g.*, grade standards, defect rates, etc.), and conditions of sale (*e.g.*, price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.).<sup>414</sup> At least half of responding purchasers that purchased a majority of LDW structural pipe reported that LDWP from domestic producers and subject sources is “always” or “frequently” used interchangeably.<sup>415</sup> Furthermore, when asked to compare LDWP produced in the United States versus LDWP produced by subject sources, responding purchasers that purchased a majority of LDW structural pipe ranked imports from each subject country as comparable to the domestic like product on the vast majority of purchase factors.<sup>416</sup>

Producers and importers were asked to assess how often factors other than price were significant in sales between all LDWP produced in the United States, subject, or nonsubject countries. Most U.S. producers reported that there were “never” differences other than price between subject merchandise and domestically produced all LDWP, and most importers reported that there were “sometimes” or “never” differences other than price between subject

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reasonable overlap in competition between such imports from Greece and subject imports from other sources during the POI. Thus, subject imports of LDW structural pipe from Greece are not included in our analysis of cumulated subject imports of LDW structural pipe.

<sup>409</sup> CR/PR at Table ALT C-5. Subject imports (with Greece excluded) were \*\*\* percent of apparent U.S. consumption in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>410</sup> Because the antidumping duty and countervailing duty investigations of LDW structural pipe imports from India have been terminated, these imports are considered nonsubject and are not included in the data as subject imports.

<sup>411</sup> CR/PR at Table ALT C-5. Nonsubject imports were \*\*\* percent of apparent U.S. consumption in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>412</sup> CR at I-24; PR at I-19.

<sup>413</sup> CR at II-24; PR at II-16.

<sup>414</sup> CR at II-24; PR at II-16.

<sup>415</sup> See Questionnaire Responses of \*\*\* at IV-1.

<sup>416</sup> See Questionnaire Responses of \*\*\* at IV-3.

imports and domestic LDWP.<sup>417</sup> Most responding purchasers that purchased a majority of LDW structural pipe reported that there were only “sometimes” or “never” differences other than price in comparisons between the domestic product and imports from each subject source.<sup>418</sup> Twenty-four of 40 responding purchasers of all LDWP require their suppliers to become certified or qualified to sell LDWP to their firm, with the majority of these responding purchasers indicating that the qualification process does not differ depending on the type of LDWP (LDW line pipe versus LDW structural pipe).<sup>419</sup>

Purchasers named price most frequently as a very important consideration when choosing among LDW structural pipe producers for a project.<sup>420</sup> They also most frequently ranked price as the top factor considered among purchasing considerations for LDW structural pipe.<sup>421</sup> We therefore find that price is an important factor in purchasing decisions for LDW structural pipe.

Bidding is usually used to award contracts for purchases of all LDWP, with awards sometimes made after multiple rounds of bidding.<sup>422</sup> Thirty-five of 43 purchasers reported that they purchase LDWP using a bidding process.<sup>423</sup> Purchasers sometimes permit bidders to submit bids with exceptions to their product specifications or alternative LDWP products in lieu of their specified products.<sup>424</sup>

The primary raw material used to manufacture LDWP, including LDW structural pipe, is either hot-rolled coil or cut-to-length plate, depending on the production process.<sup>425</sup> Raw material prices, as reflected in the price of hot-rolled coil and cut-to-length plate, fluctuated over the POI but overall increased.<sup>426</sup>

Similar to LDW line pipe, additional tariffs of 25-percent *ad valorem* were imposed on certain steel products in March and July 2018 under Section 232 of the Trade Expansion Act of

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<sup>417</sup> CR/PR at Table II-14.

<sup>418</sup> See Questionnaire Responses of \*\*\* at IV-2.

<sup>419</sup> CR at II-31; PR at II-21. Staff asked the ten largest LDWP purchasers that submitted bid information to describe the type of information that their firm requests in a typical RFQ from suppliers. All eight responding purchasers reported that their firm does not require a supplier to submit its production history when submitting a bid proposal. CR at V-6 n.5; PR at V-4 n.5.

<sup>420</sup> CR/PR at Table II-9.

<sup>421</sup> CR/PR at Table II-6. Price was also the most often cited top-three factor that purchasers consider in their purchasing decisions. *Id.* Moreover, 32 of 43 purchasers reported that they always or usually purchase the lowest priced LDWP. See CR at II-27; PR at II-18 (of the ten responding purchasers that primarily purchased LDW structural pipe, ten reported that they always or usually purchase the lowest priced LDWP).

<sup>422</sup> CR at V-6; PR at V-4. See also Hearing Tr. at 102, 109 (Clark, Riemer).

<sup>423</sup> CR at V-6; PR at V-4.

<sup>424</sup> CR at V-7; PR at V-4 to V-5.

<sup>425</sup> CR at V-1; PR at V-1.

<sup>426</sup> CR/PR at Fig. V-1.

1962.<sup>427</sup> The additional tariffs apply to the raw materials used for the production of LDW structural pipe, as well as LDW structural pipe from the subject countries.<sup>428</sup> In addition, antidumping and countervailing duty orders have been imposed on raw materials for LDW structural pipe. Antidumping and countervailing duty orders on hot-rolled coil from Australia, Brazil, Japan, Korea, Netherlands, Turkey, and the United Kingdom entered into effect in the United States in October 2016.<sup>429</sup> Commerce also imposed antidumping and countervailing duty orders on cut-to-length plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey in February to May 2017.<sup>430</sup>

## 2. Volume of Cumulated Subject Imports of LDW Structural Pipe

Cumulated subject imports of LDW structural pipe from Canada, China, Korea, and Turkey had a substantial and increasing presence in the U.S. market every year from 2015 to 2017.<sup>431</sup> The volume of cumulated subject imports increased from 42,293 short tons in 2015 to 42,806 short tons in 2016 and to 71,239 short tons in 2017, an overall increase of 68.4 percent.<sup>432</sup>

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<sup>427</sup> CR at I-7 to I-9; PR at I-6 to I-7. A majority of responding firms indicated that the imposition of Section 232 tariffs on imported steel beginning in March 2018 increased raw material costs and the price of LDWP. See CR at II-3; PR at II-2.

<sup>428</sup> CR at I-17 to I-18; PR at I-13 to I-14. Steel products from Korea are subject to a quota and those from Turkey are subject to a 50 percent tariff. CR/PR at Table I-2. LDW structural pipe imports from China are not subject to additional tariffs under Section 301 of the Trade Act of 1974. *Id.*

<sup>429</sup> CR/PR at Fig. V-1. See *Certain Hot-Rolled Steel Flat Productions From Brazil and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders*, 81 Fed. Reg. 67960 (Oct. 3, 2016); *Certain Hot-Rolled Steel Flat Products From Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Australia, the Republic of Korea, and the Republic of Turkey and Antidumping Duty Orders*, 81 Fed. Reg. 67962 (Oct. 3, 2016).

<sup>430</sup> CR/PR at Fig. V-1. See *Certain Carbon and Alloy Steel Cut-To-Length Plate From Brazil, South Africa, and the Republic of Turkey: Antidumping Duty Orders*, 82 Fed. Reg. 8911 (Feb. 1, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From the People's Republic of China: Countervailing Duty Order*, 82 Fed. Reg. 14346 (Mar. 20, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From the People's Republic of China: Antidumping Duty Order*, 82 Fed. Reg. 14349 (Mar. 20, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea and Taiwan, and Antidumping Duty Orders*, 82 Fed. Reg. 24096 (May 25, 2017); *Certain Carbon and Alloy Steel Cut-To-Length Plate From the Republic of Korea: Countervailing Duty Order*, 82 Fed. Reg. 24103 (May 25, 2017).

<sup>431</sup> As noted above, we have not cumulated subject imports from Greece for purposes of our material injury analysis.

<sup>432</sup> CR/PR at Table ALT C-5. Cumulated subject imports were 32,018 short tons in interim 2017 and 27,017 short tons in interim 2018. *Id.* While the volume of cumulated subject imports was 15.6 lower in interim 2018 than in interim 2017, this tracked the decline in apparent U.S. consumption, which was \*\*\* percent lower between the interim periods. *Id.* As previously discussed, we have not reduced (Continued...)



Cumulated subject imports of LDW structural pipe increased market share overall from 2015 to 2017 at the expense of the domestic industry and maintained market share between the interim periods. Subject imports' share of apparent U.S. consumption decreased slightly from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then increased to \*\*\* percent in 2017, an overall increase of \*\*\* percentage points.<sup>433</sup>

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

### 3. Price Effects of the Cumulated Subject Imports of LDW Structural Pipe

As addressed in section VI.D.1.c above, the record indicates that there is a high degree of substitutability between subject imports and the domestic like product and that price is an important factor in purchasing decisions.

The Commission collected bid data for LDW structural pipe in the final phase of these investigations at the request of the parties that argued that price comparison data were not useful in the preliminary phase of the investigations.<sup>434</sup> The Commission requested purchasers to provide the bid data for their five largest purchases of LDW structural pipe since January 1, 2015 that involved at least one bid from a U.S. producer and at least one bid from a supplier of LDW structural pipe from a subject source.<sup>435</sup> Thirty-five of 43 purchasers indicated that they use a bidding process for their purchases.<sup>436</sup> Six purchasers provided bid information for 26 bidding events involving LDW structural pipe.<sup>437</sup>

Cumulated subject import quotes were lower than domestic producers' bids in six of nine instances.<sup>438</sup> Subject imports of LDW structural pipe won the sale in seven instances in which there was more than one source reported.<sup>439</sup> In five of the seven instances when subject imports won the LDW structural pipe sale, subject imports were priced lower than the domestic producers' bids.<sup>440</sup> In three of the five instances in which the subject imports' bids were lower than the domestic producers' bids, the winning bid from the subject imports was also the

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the weight accorded to the post-petition data despite the lower volume of subject imports in interim 2018 compared to interim 2017.

<sup>433</sup> CR/PR at Table ALT C-5. Cumulated subject imports maintained their market share between the interim periods, at \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>434</sup> See USITC Pub. 4768 at 29, 39 n.189.

<sup>435</sup> CR at V-7 to V-8; PR at V-5.

<sup>436</sup> CR at V-6; PR at V-4.

<sup>437</sup> CR at V-8, Appendix F; PR at V-5, Appendix F.

<sup>438</sup> CR/PR at Table V-4. Cumulated subject imports underbid domestic producers by an average margin of 18.6 percent and overbid by an average margin of 7.0 percent. *Id.*

<sup>439</sup> CR/PR at Table V-5. Subject sources also won the sale for LDW structural pipe in five instances when the purchaser only identified the winning subject source firm. *Id.*

<sup>440</sup> CR/PR at Table V-5.

lowest bid submitted.<sup>441</sup> In half of the instances in which the subject imports were not the lowest price, they still were lower than the domestic producers' bids.<sup>442</sup>

We have also considered the lost sales data for LDW structural pipe. Eleven purchasers reported that they had purchased LDW structural pipe from cumulated subject sources instead of the domestic product. Nine of these eleven purchasers indicated that the LDW structural pipe from cumulated subject sources was lower priced. Seven of these nine purchasers reported that the lower price of the subject imports was a primary reason for their decision to purchase subject imports.<sup>443</sup> These seven purchasers reported purchasing \*\*\* short tons of imported LDW structural pipe from cumulated subject sources.<sup>444</sup> These lost sales were equivalent to \*\*\* percent of total cumulated subject imports of LDW structural pipe over the POI.

The bid data indicate that suppliers of subject imports frequently won bidding events while offering lower bid prices than domestic competitors. In addition, purchasers indicated that low prices were a primary reason for purchasing subject imports over the domestic product. Therefore, we find that the underselling by cumulated subject imports of LDW structural pipe was significant during the POI. As a result of this underselling, subject imports gained market share at the expense of the domestic industry.

We also consider whether the subject imports had significant price-depressing effects. Price trends are difficult to discern in these investigations because there are no quarterly pricing data. Domestic producers' unit net sales values decreased overall from 2015 to 2017, but the domestic industry's unit COGS decreased as well, reflecting lower costs for the domestic industry.<sup>445</sup> Accordingly, we cannot conclude that the cumulated subject imports of LDW structural pipe had significant price-depressing effects on the prices of the domestic like product.

We have also considered whether the domestic LDW structural pipe industry's prices were suppressed during the POI. The record shows that the industry's COGS to sales ratio

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<sup>441</sup> CR/PR at Table V-5.

<sup>442</sup> CR/PR at Table V-5. Domestic producers won the sale for LDW structural pipe in nine instances, six of which the purchaser only identified the winning domestic firm and did not provide information on the subject sources which participated in the bid. *Id.* In one of the three instances when a domestic producer won the sale against a subject source, the domestic producer's bid was not the lowest priced bid. *Id.*

<sup>443</sup> CR/PR at Table V-9.

<sup>444</sup> CR/PR at Table V-9. We do not find persuasive respondents' argument, regarding LDW structural pipe, that the volume of lost sales due to price should be discounted from the Commission's underselling analysis because purchasers indicated that other considerations in addition to price are also important. While we recognize that there are other important considerations in purchasing decisions, seven of the nine purchasers of LDW structural pipe reported that the lower price of subject imports was a primary reason for their decision to purchase subject imports. Further, 32 of 43 purchasers reported that they always or usually purchase the lowest priced LDWP. See CR at II-27; PR at II-18 (of the ten responding purchasers that primarily purchased LDW structural pipe, ten reported that they always or usually purchase the lowest priced LDWP).

<sup>445</sup> CR/PR at Table ALT C-5.

improved overall from 2015 to 2017, with the strongest change from 2016 to 2017 when the ratio fell from \*\*\* percent to \*\*\* percent.<sup>446</sup> Interim 2018 showed that the ratio remained stable compared to 2017, at \*\*\* percent. Unit net sales values were also higher in 2017, at \*\*\*, compared to 2016, at \*\*\*, and increased more sharply in interim 2018, to \*\*\* suggesting that the domestic industry was able to raise prices in the most recent period.<sup>447</sup> Accordingly, we do not find that the cumulated subject imports prevented price increases, which otherwise would have occurred, to a significant degree.

In light of the foregoing, we find that the significant and increasing volume of cumulated subject imports of LDW structural pipe significantly undersold the domestic like product. As a result of the low-priced cumulated subject imports, the domestic industry lost market share. We consequently find that the cumulated subject imports of LDW structural pipe had significant price effects.

#### **4. Impact of the Cumulated Subject Imports of LDW Structural Pipe<sup>448</sup>**

As discussed above, cumulated subject imports of LDW carbon and alloy steel structural pipe captured market share at the expense of the domestic industry. Cumulated subject imports' share of apparent U.S. consumption first decreased slightly from \*\*\* percent in 2015 to \*\*\* percent in 2016, but then increased to \*\*\* percent in 2017, for an overall increase of

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<sup>446</sup> CR/PR at Table ALT C-5. The domestic industry's COGS to net sales ratio was \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017. *Id.* It was \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>447</sup> CR/PR at Table ALT C-5. Unit net sales values were \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017. *Id.* They were \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>448</sup> The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination, Commerce found antidumping duty margins of 132.63 percent for imports from China. *Large Diameter Welded Pipe From the People's Republic of China: Final Determination of Sales at Less than Fair Value*, 83 Fed. Reg. 56816 (Nov. 14, 2018). Commerce also preliminarily found antidumping duty margins of 24.38 percent for imports from Canada, 14.97 to 22.21 percent for imports from Korea, and 3.45 to 5.29 percent for imports from Turkey. *Large Diameter Welded Pipe from Canada: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 Fed. Reg. 43649 (Aug. 27, 2018); *Large Diameter Welded Pipe From the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43651 (Aug. 27, 2018); *Large Diameter Welded Pipe From the Republic of Turkey: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43646 (Aug. 27, 2018). We have considered these dumping margins, giving particular weight to the final margin provided by Commerce for subject imports from China. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling and price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

\*\*\* percentage points.<sup>449</sup> By comparison, the domestic LDW structural pipe industry lost \*\*\* percentage points of market share from 2015 to 2017, as its share of apparent U.S. consumption declined from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then declined further to \*\*\* percent in 2017.<sup>450</sup> It was \*\*\* percentage points lower in interim 2018, at \*\*\* percent, than in interim 2017, at \*\*\* percent.<sup>451</sup>

The domestic industry was unable to take full advantage of the \*\*\* percent increase in apparent U.S. consumption of LDW structural pipe from 2015 to 2017.<sup>452</sup> While the domestic industry's output indicia generally increased overall from 2015 to 2017, these increases were not commensurate with the increase in apparent U.S. consumption during this period.<sup>453</sup> From 2015 to 2017, the domestic industry's production increased by \*\*\* percent,<sup>454</sup> its capacity increased by \*\*\* percent,<sup>455</sup> its capacity utilization rate declined by \*\*\* percentage points,<sup>456</sup> and its U.S. shipments, by quantity, increased by \*\*\* percent.<sup>457</sup> The domestic industry had increasing inventories during the POI.<sup>458</sup>

The domestic industry's employment indicia increased overall from 2015 to 2017 but lagged well behind any demand increase.<sup>459</sup> From 2015 to 2017, the number of the domestic

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<sup>449</sup> CR/PR at Table ALT C-5. Cumulated subject imports maintained market share between the interim periods, as their share of apparent U.S. consumption was \*\*\* percent in interim 2018 compared to \*\*\* percent in interim 2017. *Id.*

<sup>450</sup> CR/PR at Table ALT C-5.

<sup>451</sup> CR/PR at Table ALT C-5.

<sup>452</sup> CR/PR at Table ALT C-5.

<sup>453</sup> CR/PR at Table ALT C-5. The domestic industry's output indicia were generally lower in interim 2018 than in interim 2017. *Id.*

<sup>454</sup> The domestic industry's production increased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and to \*\*\* short tons in 2017. CR/PR at Table ALT C-5. The domestic industry's production was \*\*\* short tons in interim 2018 compared to \*\*\* short tons in interim 2017. *Id.*

<sup>455</sup> The domestic industry's capacity increased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and to \*\*\* short tons in 2017. CR/PR at Table ALT C-5. Its capacity was \*\*\* short tons in interim 2018 compared to \*\*\* short tons in interim 2017. *Id.* Capacity may have increased due to U.S. LDW line pipe producers allocating production capacity from LDW line pipe to LDW structural pipe in their financial statements, at a time when demand for LDW structural pipe was increasing and demand for LDW line pipe was decreasing. *Compare* CR/PR at Tables ALT C-2 and ALT C-5.

<sup>456</sup> The domestic industry's capacity utilization increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and decreased to \*\*\* percent in 2017. CR/PR at Table ALT C-5. Its capacity utilization rate was \*\*\* percent in interim 2018 compared to \*\*\* percent in interim 2017. *Id.*

<sup>457</sup> U.S. producers' U.S. shipments increased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and to \*\*\* short tons in 2017. CR/PR at Table ALT C-5. Its U.S. shipments were \*\*\* short tons in interim 2018 compared to \*\*\* short tons in interim 2017. *Id.*

<sup>458</sup> U.S. producers' end-of-period inventories increased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and to \*\*\* short tons in 2017. CR/PR at Table ALT C-5. They were \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.* The ratios of U.S. producers' end-of-period inventories to total shipments also increased during the POI. *Id.*

<sup>459</sup> The domestic industry's employment indicia were generally lower in interim 2018 than in interim 2017. CR/PR at Table ALT C-5.

industry's production and related workers increased by \*\*\* percent,<sup>460</sup> hours worked increased by \*\*\* percent,<sup>461</sup> wages paid increased by \*\*\* percent,<sup>462</sup> hourly wages increased by \*\*\* percent,<sup>463</sup> and productivity increased by \*\*\* percent.<sup>464</sup> The domestic industry's capital expenditures increased irregularly from 2015 to 2017.<sup>465</sup>

The domestic LDW structural pipe industry's financial indicia remained either weak or continued as losses throughout the POI. While the domestic industry's total sales revenue,<sup>466</sup> gross profits,<sup>467</sup> operating income,<sup>468</sup> operating income to net sales,<sup>469</sup> net income,<sup>470</sup> and net

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<sup>460</sup> The number of production-related workers was \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017. CR/PR at Table ALT C-5. The domestic industry's production-related workers were \*\*\* percent lower in interim 2018, at \*\*\*, than in interim 2017, at \*\*\*. *Id.*

<sup>461</sup> Total hours worked were \*\*\* hours in 2015, \*\*\* hours in 2016, and \*\*\* hours in 2017. CR/PR at Table ALT C-5. Total hours worked was \*\*\* hours in interim 2018 compared to \*\*\* hours in interim 2017. *Id.*

<sup>462</sup> Wages paid were \$\*\*\* in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. CR/PR at Table ALT C-5. Total wages paid were \$\*\*\* in interim 2018 compared to \$\*\*\* in interim 2017. *Id.*

<sup>463</sup> Hourly wages were \$\*\*\* per hour in 2015, \$\*\*\* per hour in 2016, and \$\*\*\* per hour in 2017. CR/PR at Table ALT C-5. Hourly wages were \$\*\*\* per hour in interim 2018 compared to \*\*\* per hour in interim 2017. *Id.*

<sup>464</sup> Productivity was \*\*\* shorts tons per 1,000 hours in 2015, \*\*\* short tons per 1,000 hours in 2016, and \*\*\* short tons per 1,000 hours in 2017. CR/PR at Table ALT C-5. Productivity was \*\*\* short tons per 1,000 hours in interim 2018 compared to \*\*\* short tons per 1,000 hours in interim 2017. *Id.*

<sup>465</sup> The domestic industry's capital expenditures were \$\*\*\* in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. CR/PR at Table ALT C-5. Its capital expenditures were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.* The industry's research and development expenses were \$\*\*\* in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. They were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *See* Questionnaire Responses of ACIPCO, Atlas, Berg, Dura-Bond, Greens Bayou, Jindal, JSW, Skyline, Stupp, and Trinity at III-24. The industry's return on assets expressed as a ratio of operating income to net assets declined from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then improved to \*\*\* percent in 2017. *Id.* at III-23. \*\*\*, did not report any negative effects on LDWP investment from subject imports while other \*\*\* reported negative effects on LDWP investments from subject imports. CR/PR at Table VI-8.

<sup>466</sup> Total net sales value decreased from \$\*\*\* in 2015 to \$\*\*\* in 2016 and increased to \$\*\*\* in 2017, an overall increase of \*\*\* percent. CR/PR at Table ALT C-5. It was at \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

<sup>467</sup> Gross profits decreased from \$\*\*\* in 2015 to \$\*\*\* in 2016 and increased to \$\*\*\* in 2017, an overall increase of \*\*\* percent. CR/PR at Table ALT C-5. They were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

<sup>468</sup> Operating income decreased from \*\*\* in 2015 to \*\*\* in 2016 and increased to \*\*\* in 2017. CR/PR at Table ALT C-5. It was \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>469</sup> Operating income as a ratio of net sales was \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017, and was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. CR/PR at Table ALT C-5.

<sup>470</sup> Net income decreased from \*\*\* in 2015 to \*\*\* in 2016 and increased to \*\*\* in 2017. CR/PR at Table ALT C-5. It was \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

income to sales<sup>471</sup> improved overall from 2015 to 2017, these increases were generally from low or negative results earlier in the POI.<sup>472</sup> Given the significant increase in apparent U.S. consumption for LDW structural pipe and some improvements in performance indicators from 2015 to 2017, the domestic industry would have experienced a stronger financial performance if it had been able to increase sales at a rate more commensurate with the growth in apparent U.S. consumption.

We find that subject imports had a significant impact on the domestic LDW structural pipe industry. Low-priced cumulated subject imports increased significantly in absolute terms and relative to consumption from 2015 to 2017, and captured market share from the domestic industry. Despite apparent U.S. consumption increasing by \*\*\* percent during this period, the domestic industry was unable to take advantage of the increase due to the surge in low-priced cumulated subject imports that occurred. As a result, the domestic industry's production, shipments, capacity utilization, employment, revenues, and profits were lower than they would have otherwise been during 2015 to 2017.

Data from the interim periods lend further support to our finding that the subject imports adversely affected the domestic industry during the POI. When subject imports were lower in interim 2018, the domestic industry's revenues and profits were all higher than they had been in interim 2017, despite lower apparent U.S. consumption in interim 2018, largely reflecting significantly improved shipments.<sup>473</sup>

We have considered whether there are other factors that may have had an impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. As discussed above, apparent U.S. consumption increased overall from 2015 to 2017.<sup>474</sup> We have also considered the presence of nonsubject imports in the U.S. LDW structural pipe market. Nonsubject imports had the lowest market share in the U.S. market and only increased overall by \*\*\* percentage points from 2015 to 2017.<sup>475</sup> Furthermore, the AUVs of nonsubject imports were generally higher than those of cumulated subject imports as well as the domestic like product.<sup>476</sup> Thus, other factors cannot explain the price effects we have attributed to cumulated subject imports.

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<sup>471</sup> Net income as a ratio of net sales was \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017, and was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. CR/PR at Table ALT C-5.

<sup>472</sup> CR/PR at Table ALT C-5. The domestic industry had operating \*\*\* and net \*\*\* throughout the POI. *Id.*

<sup>473</sup> CR/PR at Table ALT C-5.

<sup>474</sup> CR/PR at Table ALT C-5.

<sup>475</sup> CR/PR at Table ALT C-5. Nonsubject imports' market share increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and decreased to \*\*\* percent in 2017. *Id.* It was \*\*\* percent in interim 2018 compared to \*\*\* percent in interim 2017. *Id.*

<sup>476</sup> The AUVs of nonsubject imports were \$1,114 in 2015, \$900 in 2016, and \$871 in 2017. CR/PR at Table ALT C-5. They were \$777 in interim 2017 and \$\*\*\* in interim 2018. *Id.* The AUVs of cumulated subject imports were \$768 in 2015, \$749 in 2016, and \$815 in 2017. They were \$773 in interim 2017 and \$997 in interim 2018. *Id.* Moreover, the AUVs of the domestic like product were \$\*\*\* (Continued...)

For the foregoing reasons, we find that the domestic LDW structural pipe industry is suffering material injury by reason of cumulated subject imports from Canada, China, Korea, and Turkey.

**E. The Stainless Steel LDW Pipe Industry is Not Materially Injured by Reason of Subject Imports**

**1. Conditions of Competition and the Business Cycle**

The following conditions of competition inform our analysis of whether there is material injury by reason of subject imports of stainless steel LDW pipe.

**a. Demand Considerations**

Stainless steel LDW pipe is used in such applications as digester, pharmaceutical production, petrochemical stock, automotive paint, and various other processing lines. U.S. demand for stainless steel LDW pipe generally reflects demand for such applications, as well as such specific uses as liquefied natural gas (“LNG”) terminal activity.<sup>477</sup>

Apparent U.S. consumption of stainless steel LDW pipe decreased by \*\*\* percent from 2015 to 2017.<sup>478</sup> Apparent U.S. consumption of stainless steel LDW pipe was \*\*\* short tons in 2015, \*\*\* short tons in 2016, and \*\*\* short tons in 2017.<sup>479</sup> One of three reporting U.S. producers of stainless steel LDW pipe reported that demand for LDWP in the oil and gas sector fluctuated during the POI, two of three reported that demand for LDWP in other sectors fluctuated during the POI, and one of three reported that demand for LDWP increased in the oil and gas sector and other sectors.<sup>480</sup> The principal importer of stainless steel LDW pipe during the POI reported decreased demand in the oil and gas sector.<sup>481</sup>

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(...Continued)

in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. *Id.* They were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

<sup>477</sup> CR at I-44; PR at I-32; CR/PR at Table VI-8 (Response of \*\*\*: \*\*\*).

<sup>478</sup> CR/PR at Table ALT C-4.

<sup>479</sup> CR/PR at Table ALT C-4. Apparent U.S. consumption was \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.*

<sup>480</sup> Questionnaire Responses of \*\*\* at IV-13.

<sup>481</sup> Questionnaire Response of \*\*\* at III-13. \*\*\* reported importing \*\*\* shorts tons of stainless steel LDW pipe from Korea in 2015, \*\*\* short tons in 2016, and \*\*\* short tons in 2017. *Id.* at II-17a. It reported importing \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.*

## b. Supply Considerations

Stainless steel LDW pipe is typically made to order with lead times of between \*\*\* and \*\*\* days.<sup>482</sup> Most domestically produced stainless steel LDW pipe is shipped to distributors.<sup>483</sup> In contrast, the principal importer of stainless steel LDW pipe reported that the stainless steel LDW pipe that it imported was sold to end users.<sup>484</sup>

Stainless steel LDW pipe requires specialized manufacturing facilities and processes. There is virtually no shared production in facilities designed for the production of carbon and alloy steel pipe.<sup>485</sup> Stainless steel LDW pipe, with very limited exceptions, is produced by different firms than those producing other LDWP.<sup>486</sup> Only three U.S. producers provided usable data for the manufacture of stainless steel LDW pipe.<sup>487</sup>

The domestic stainless steel LDW pipe industry's capacity increased by \*\*\* percent during 2015 to 2017.<sup>488</sup> One domestic producer, \*\*\*, reported an expansion of its plant.<sup>489</sup>

The domestic stainless steel LDW pipe industry had the largest share of the U.S. market during the POI. The domestic industry's market share decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and increased to \*\*\* percent in 2017, for an overall increase of \*\*\* percentage points.<sup>490</sup>

Cumulated subject imports of stainless steel LDW pipe were the second largest source of supply to the U.S. market. Cumulated subject imports decreased their share of apparent U.S. consumption overall.<sup>491</sup> Their share increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and decreased to \*\*\* percent in 2017, for an overall decrease of \*\*\* percentage points.<sup>492</sup>

Nonsubject imports were the smallest source of supply to the U.S. market during the POI. Nonsubject imports' share of apparent U.S. consumption increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and decreased to \*\*\* percent in 2017, for an overall increase of \*\*\* percentage points.<sup>493</sup>

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<sup>482</sup> \*\*\* reported that \*\*\* percent of their firm's sales are produced to order with average lead times of \*\*\* and \*\*\* days, respectively. Questionnaire Responses of \*\*\* at IV-8.

<sup>483</sup> CR/PR at Table I-10. Between \*\*\* and \*\*\* percent of U.S. producer's U.S. shipments of stainless steel LDW pipe are sold to distributors. *Id.*

<sup>484</sup> Questionnaire Response of \*\*\* at II-17b.

<sup>485</sup> CR at I-46; PR at I-33.

<sup>486</sup> See CR/PR at Table I-11. \*\*\*. See Questionnaire Response of \*\*\* at II-16.

<sup>487</sup> CR at I-46, III-1 n.2; PR at I-33, III-1 n.2.

<sup>488</sup> CR/PR at Table ALT C-4.

<sup>489</sup> CR/PR at Table III-3.

<sup>490</sup> CR/PR at Table ALT C-4. The domestic industry's market share was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>491</sup> We did not cumulate subject imports of stainless steel LDW pipe from Greece with subject imports from other sources eligible for cumulation and thus subject imports of stainless steel LDW pipe from Greece are not included in our analysis of cumulated subject stainless steel LDW pipe imports.

<sup>492</sup> CR/PR at Table ALT C-4. Subject imports (with Greece excluded) were \*\*\* percent of apparent U.S. consumption in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>493</sup> CR/PR at Table ALT C-4. Nonsubject imports were \*\*\* percent of apparent U.S. consumption in interim 2017 and \*\*\* percent in interim 2018. *Id.*



### c. Substitutability and Other Conditions

Stainless steel LDW pipe is usually produced to ASTM standards.<sup>494</sup> There is a high degree of substitutability between domestically produced stainless steel LDW pipe and subject imports.<sup>495</sup> The degree of substitutability depends upon such factors as relative prices, quality (*e.g.*, grade standards, defect rates, etc.), and conditions of sale (*e.g.*, price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.).<sup>496</sup> All three responding U.S. producers of stainless steel LDW pipe reported that domestic product and imports from each subject source are “always” or “frequently” used interchangeably.<sup>497</sup> The principal importer of stainless steel LDW pipe reported that that domestic product and imports from Canada and Korea are “always” interchangeable and that domestic product and imports from China are “sometimes” interchangeable.<sup>498</sup> Furthermore, all three U.S. producers and the principal importer of stainless steel LDW pipe reported that there were only “sometimes” or “never” differences other than price in comparisons between imports from subject countries and domestic stainless steel LDW pipe.<sup>499</sup>

All three U.S. producers of stainless steel LDW pipe indicated that they had to reduce prices or roll back announced price increases to avoid losing sales to subject imports.<sup>500</sup> Furthermore, one producer indicated that there has been a downward pressure on prices during the POI.<sup>501</sup> We therefore find that price is an important factor in purchasing decisions for stainless steel LDW pipe.

The primary raw material used to manufacture stainless steel LDW pipe is austenitic or duplex stainless steel plate or sheet.<sup>502</sup> Raw material prices, as reflected in the price of stainless steel sheet, fluctuated over the POI but overall decreased.<sup>503</sup>

Additional tariffs of 25-percent *ad valorem* were imposed on certain steel products from all U.S. trading partners in March and July 2018 under Section 232 of the Trade Expansion Act of 1962.<sup>504</sup> The additional tariffs apply to the raw materials used for the production of stainless steel LDW pipe as well as stainless steel LDW pipe from the subject countries.<sup>505</sup> In addition,

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<sup>494</sup> CR at I-43; PR at I-32.

<sup>495</sup> CR at II-24; PR at II-16.

<sup>496</sup> CR at II-24; PR at II-16.

<sup>497</sup> See Questionnaire Responses of \*\*\* at IV-20.

<sup>498</sup> Questionnaire Response of \*\*\* at III-20.

<sup>499</sup> See Questionnaire Responses of \*\*\* at IV-21; Questionnaire Response of \*\*\* at III-21.

<sup>500</sup> See Questionnaire Responses of \*\*\* at IV-23.

<sup>501</sup> CR/PR at Table VI-8 (Response of \*\*\*: \*\*\*).

<sup>502</sup> CR at I-43; PR at I-32.

<sup>503</sup> See CR/PR at Fig. V-1.

<sup>504</sup> CR at I-7 to I-9; PR at I-6 to I-8. A majority of responding producers that produce stainless steel LDW pipe indicated that the imposition of Section 232 tariffs on imported steel beginning in March 2018 had an effect on the conditions of competition. See Questionnaire Responses of \*\*\* at IV-16.

<sup>505</sup> CR at I-17 to I-18; PR at I-13 to I-14; CR/PR at Table I-2. Steel products from Korea are subject to a quota and those from Turkey are subject to a 50-percent tariff. *Id.*

antidumping and countervailing duty orders on the raw material, stainless steel sheet and strip, have been imposed on imports from China by the United States in April 2017.<sup>506</sup>

## 2. Volume of Cumulated Subject Imports of Stainless Steel LDW Pipe

Cumulated subject imports of stainless steel LDW pipe from Canada, China, India, Korea, and Turkey fluctuated in the U.S. market from 2015 to 2017 but decreased overall.<sup>507</sup> The volume of cumulated subject imports increased from 607 short tons in 2015 to 3,177 short tons in 2016 before decreasing to 528 short tons in 2017, an overall decrease of 13.0 percent.<sup>508</sup>

Cumulated subject imports' market share similarly fluctuated from 2015 to 2017 but decreased overall. Subject imports' share of apparent U.S. consumption increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then decreased to \*\*\* percent in 2017, an overall decrease of \*\*\* percentage points.<sup>509</sup> The record indicates that the increase in cumulated subject import volume and market share in 2016 was almost entirely driven by subject imports from Korea that were imported for a specific project.<sup>510</sup>

In light of the foregoing, we find that the volume of cumulated subject imports is significant in both absolute terms and relative to consumption.<sup>511</sup>

## 3. Price Effects of the Cumulated Subject Imports of Stainless Steel LDW Pipe

No purchaser reported bid information for a project that involved stainless steel LDW pipe.<sup>512</sup> AUV data show that domestic values for stainless steel LDW pipe were lower than

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<sup>506</sup> CR at V-2; PR at V-1. *See Stainless Steel Sheet and Strip From the People's Republic of China: Antidumping Duty Order*, 82 Fed. Reg. 16160 (Apr. 3, 2017); *Stainless Steel Sheet and Strip From the People's Republic of China: Countervailing Duty Order*, 82 Fed. Reg. 16166 (Apr. 3, 2017).

<sup>507</sup> As noted above, we have not cumulated subject imports of stainless steel LDW pipe from Greece for purposes of our material injury analysis.

<sup>508</sup> CR/PR at Table ALT C-4. Cumulated subject imports were 379 short tons in interim 2017 and 468 short tons in interim 2018. *Id.*

<sup>509</sup> CR/PR at Table ALT C-4. Cumulated subject imports' market share was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>510</sup> Subject imports from Korea were 2,978 short tons in 2016, or 94 percent of cumulated subject imports (less Greece) in 2016. CR/PR at Table ALT C-4. The record indicates that subject imports from Korea in 2016 were imported for \*\*\* Email from \*\*\* (EDIS Doc No. 66428) (Oct. 26, 2018).

<sup>511</sup> As discussed below, however, we do not find that subject imports had either significant price effects or impact on the domestic industry.

<sup>512</sup> CR/PR at V-8 n.10; PR at V-5 n.10. In the preliminary phase of these investigations, the Commission did not receive any response to its producers' questionnaire from domestic stainless steel LDW pipe producers. Petitioners did not identify any domestic producers or purchasers of stainless steel LDW pipe or make any lost sales/lost revenue allegations with respect to stainless steel LDW pipe in their petition.

(Continued...)

cumulated subject import values each year from 2015 to 2017. U.S. producers' U.S. shipments AUVs were \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017.<sup>513</sup> U.S. producers' net sales AUVs were \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017.<sup>514</sup> Cumulated subject import AUVs were \$9,578 in 2015, \$5,903 in 2016, and \$5,694 in 2017.<sup>515</sup> We also note that the subject imports from Korea that were imported in 2016 had an AUV of \$5,938, which was substantially higher than the domestic producers' U.S. shipment unit value of \*\*\* for that year. We recognize that AUV data may be affected by a mix of stainless steel LDW pipe products, however, the cumulated subject import AUVs were consistently valued higher than the domestic like product AUVs. We therefore cannot conclude that cumulated subject imports of stainless steel LDW pipe significantly undersold the domestic like product during the POI.

Domestic producers' U.S. shipment and net sales AUVs decreased overall from 2015 to 2017 but showed some improvement in 2017 and interim 2018.<sup>516</sup> At the same time, apparent U.S. consumption fluctuated but decreased overall from 2015 to 2017.<sup>517</sup> Given the downward trends in demand and some evidence of higher AUVs later in the POI, we cannot conclude that the cumulated subject imports of stainless steel LDW pipe had significant price-depressing effects on the prices of the domestic like product.

We also have considered whether the domestic industry's prices were suppressed during the POI. The COGS to net sales ratio fluctuated and increased overall from 2015 to 2017.<sup>518</sup> We recognize that there is some evidence of a cost-price squeeze, however, given the overall decrease in demand in the U.S. market, we cannot conclude that the cumulated subject imports prevented price increases, which otherwise would have occurred, to a significant degree.

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(...Continued)

In the final phase, petitioners submitted no comments regarding the collection of bid or other pricing data for stainless steel LDW pipe in their comments on the draft purchasers' questionnaires. *See* Petitioners' Comments on Draft Questionnaires (May 24, 2018).

<sup>513</sup> CR/PR at Table ALT C-4. U.S. producers' U.S. shipments AUVs were \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>514</sup> CR/PR at Table ALT C-4. U.S. producers' net sales AUVs were \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>515</sup> CR/PR at Table ALT C-4. Cumulated subject imports' AUVs were \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.* We recognize that cumulated subject imports' AUVs were 10.5 percent lower in interim 2018 than in interim 2017, however, cumulated subject imports' market share remained stable between the interim periods, at \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>516</sup> CR/PR at Table ALT C-4. U.S. producers' U.S. shipments AUVs increased from \*\*\* in 2017 to \*\*\* in interim 2018. *Id.* U.S. producers' net sales AUVs increased from \*\*\* in 2017 to \*\*\* in interim 2018. *Id.*

<sup>517</sup> CR/PR at Table ALT C-4. Apparent U.S. consumption was \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. *Id.*

<sup>518</sup> CR/PR at Table ALT C-4. The industry's COGS to net sales ratio increased from \*\*\* in 2015 to \*\*\* in 2016 and decreased to \*\*\* in 2017. *Id.* COGS to net sales ratio was \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.* The domestic industry's unit COGs decreased from \*\*\* in 2015 to \*\*\* in 2016 and increased to \*\*\* in 2017. *Id.* It was \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

In light of the foregoing, we do not find that the significant volume of cumulated subject imports significantly undersold the domestic like product, nor do we find that cumulated subject imports had significant price-depressing effects on the prices of the domestic like product or prevented price increases, which otherwise would have occurred, to a significant degree. We consequently find that the subject imports did not have a significant effect on prices for the domestic like product.

#### 4. Impact of Cumulated Subject Imports of Stainless Steel LDW Pipe<sup>519</sup>

While the domestic industry's output indicia generally decreased overall from 2015 to 2017, they decreased by a rate commensurate with the decrease in apparent U.S. consumption during this period.<sup>520</sup> Apparent U.S. consumption of stainless steel LDW pipe decreased by \*\*\* percent from 2015 to 2017.<sup>521</sup> From 2015 to 2017, the domestic industry's production decreased by \*\*\* percent<sup>522</sup> and its U.S. shipments, by quantity, decreased by \*\*\* percent.<sup>523</sup>

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<sup>519</sup> The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination, Commerce found antidumping duty margins of 132.63 percent for imports from China and 16.85 percent for imports from India. *Large Diameter Welded Pipe From the People's Republic of China: Final Determination of Sales at Less than Fair Value*, 83 Fed. Reg. 56816 (Nov. 14, 2018); *Large Diameter Welded Pipe From India: Final Determination of Sales at Less than Fair Value; 2017*, 83 Fed. Reg. 56811 (Nov. 14, 2018). Commerce also preliminarily found antidumping duty margins of 24.38 percent for imports from Canada, 14.97 to 22.21 percent for imports from Korea, and 3.45 to 5.29 percent for imports from Turkey. *Large Diameter Welded Pipe from Canada: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 Fed. Reg. 43649 (Aug. 27, 2018); *Large Diameter Welded Pipe From the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43651 (Aug. 27, 2018); *Large Diameter Welded Pipe From the Republic of Turkey: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43646 (Aug. 27, 2018). We have considered these dumping margins, giving particular weight to the final margin provided by Commerce for subject imports from China and India. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling and price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

<sup>520</sup> CR/PR at Table ALT C-4. The domestic industry's output indicia were generally higher in interim 2018 than in interim 2017. *Id.*

<sup>521</sup> CR/PR at Table ALT C-4.

<sup>522</sup> The domestic industry's production decreased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and increased to \*\*\* short tons in 2017. CR/PR at Table ALT C-4. The domestic industry's production was \*\*\* percent higher in interim 2018, at \*\*\* short tons, than in interim 2017, at \*\*\* short tons. *Id.*

<sup>523</sup> U.S. producers' U.S. shipments decreased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and increased to \*\*\* short tons in 2017. CR/PR at Table ALT C-4. U.S. shipments were \*\*\* percent higher in interim 2018, at \*\*\* short tons, than in interim 2017, at \*\*\* short tons. *Id.*

The domestic industry's capacity utilization rate declined by \*\*\* percentage points overall, but the decline was primarily due to an increase in capacity.<sup>524</sup> The domestic industry increased its capacity by \*\*\* percent from 2015 to 2017.<sup>525</sup>

The domestic industry's market share fluctuated but increased overall during 2015 to 2017.<sup>526</sup> Its share decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then increased \*\*\* percent in 2017.<sup>527</sup> In addition, the domestic industry had decreasing inventories from 2015 to 2017. U.S. producers' end-of-period inventories remained at \*\*\* short tons and \*\*\* short tons in 2015 and 2016 and decreased slightly to \*\*\* short tons in 2017.<sup>528</sup>

The domestic industry's employment indicia generally increased overall from 2015 to 2017.<sup>529</sup> From 2015 to 2017, the domestic industry's production and related workers increased by \*\*\* percent,<sup>530</sup> hours worked increased by \*\*\* percent,<sup>531</sup> wages paid increased by \*\*\* percent,<sup>532</sup> and hourly wages increased by \*\*\* percent,<sup>533</sup> while productivity decreased by \*\*\* percent.<sup>534</sup> The domestic industry's capital expenditures increased substantially from 2015 to 2017.<sup>535</sup>

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<sup>524</sup> The domestic industry's capacity utilization decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and increased to \*\*\* percent in 2017. CR/PR at Table ALT C-4. Its capacity utilization rate was \*\*\* percentage points higher in interim 2018, at \*\*\* percent, than in interim 2017, at \*\*\* percent. *Id.*

<sup>525</sup> The domestic industry's capacity increased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and to \*\*\* short tons in 2017. CR/PR at Table ALT C-4. Its capacity remained the same between the interim periods, at \*\*\* short tons. *Id.*

<sup>526</sup> See CR/PR at Table ALT C-4.

<sup>527</sup> See CR/PR at Table ALT C-4. The domestic industry's market share was lower in interim 2018 at \*\*\* percent compared to \*\*\* in interim 2017, but this loss of market share was not attributable to the subject imports. The subject imports' market share was only \*\*\* percentage points higher in interim 2018 than in interim 2017. *Id.*

<sup>528</sup> CR/PR at Table ALT C-4. The ratio of U.S. producers' end-of-period inventories to total shipments fluctuated but remained stable overall from 2015 to 2017, increasing by \*\*\* percentage point. *Id.*

<sup>529</sup> CR/PR at Table ALT C-4. The domestic industry's employment indicia were mixed lower and higher in interim 2018 than in interim 2017. *Id.*

<sup>530</sup> The number of production and related workers was \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017. CR/PR at Table ALT C-4. The domestic industry's production and related workers were \*\*\* in interim 2018 compared to \*\*\* in interim 2017. *Id.*

<sup>531</sup> Total hours worked was \*\*\* hours in 2015, \*\*\* hours in 2016, and \*\*\* hours in 2017. CR/PR at Table ALT C-4. Total hours worked was \*\*\* hours in interim 2018 compared to \*\*\* hours in interim 2017. *Id.*

<sup>532</sup> Wages paid were \$\*\*\* in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. CR/PR at Table ALT C-4. Total wages paid were \$\*\*\* in interim 2018 compared to \$\*\*\* in interim 2017. *Id.*

<sup>533</sup> Hourly wages were \$\*\*\* per hour in 2015, \$\*\*\* per hour in 2016, and \$\*\*\* per hour in 2017. CR/PR at Table ALT C-4. Hourly wages were \$\*\*\* per hour in interim 2018 compared to \*\*\* per hour in interim 2017. *Id.*

<sup>534</sup> Productivity was \*\*\* shorts tons per 1,000 hours in 2015, \*\*\* short tons per 1,000 hours in 2016, and \*\*\* short tons per 1,000 hours in 2017. CR/PR at Table ALT C-4. Productivity was \*\*\* percent (Continued...)

The domestic industry's total sales revenue,<sup>536</sup> gross profits,<sup>537</sup> operating income,<sup>538</sup> and net income<sup>539</sup> fluctuated from year to year with an overall decrease from 2015 to 2017.<sup>540</sup> Further, the total sales revenue, gross profits, operating income, and net income were all higher in interim 2018 compared to interim 2017.<sup>541</sup> Similarly, the operating income and net income as shares of net sales fluctuated from year to year but were positive at relatively high levels throughout the POI. They also were higher in interim 2018 compared to interim 2017.<sup>542</sup> We recognize that subject import volume and market share increased from 2015 to 2016, particularly related to one project, but the increase was limited to 2016 as subject imports returned in 2017 to levels similar to 2015. Moreover, in 2016, when subject imports were at their peak level, the AUVs of subject imports were higher than the AUVs of the domestic industry.<sup>543</sup>

Data from the interim periods lend further support to our finding that the subject imports did not adversely affect the domestic industry during the POI. When subject imports were at relatively stable levels between interim 2017 and interim 2018, the domestic industry's financial indicators also were stable at relatively high levels.<sup>544</sup>

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(...Continued)

higher in interim 2018, at \*\*\* short tons per 1,000 hours, than in interim 2017, at \*\*\* short tons per 1,000 hours. *Id.*

<sup>535</sup> The domestic industry's capital expenditures were \$\*\*\* in 2015, \$\*\*\* in 2016, and \$\*\*\* in 2017. CR/PR at Table ALT C-4. Its capital expenditures were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.* The industry reported no research and development expenses in 2015, 2016, 2017, or interim 2017. They were \$\*\*\* in interim 2018. *See* Questionnaire Responses of \*\*\* at III-24. The industry's return on assets expressed as a ratio of operating income to net assets declined from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then improved to \*\*\* percent in 2017. *Id.* at III-23.

<sup>536</sup> Total net sales value decreased from \$\*\*\* in 2015 to \$\*\*\* in 2016 and increased to \$\*\*\* in 2017, an overall decrease of \*\*\* percent. CR/PR at Table ALT C-4. It was \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. *Id.*

<sup>537</sup> Gross profits decreased from \$\*\*\* in 2015 to \$\*\*\* in 2016 and increased to \$\*\*\* in 2017, an overall decrease of \*\*\* percent. CR/PR at Table ALT C-4. They were \$\*\*\* in interim 2017 and \$\*\*\* million in interim 2018. *Id.*

<sup>538</sup> Operating income decreased from \*\*\* in 2015 to \*\*\* in 2016 and increased to \*\*\* in 2017. CR/PR at Table ALT C-4. It was \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>539</sup> Net income decreased from \*\*\* in 2015 to \*\*\* in 2016 and increased to \*\*\* in 2017. CR/PR at Table ALT C-4. It was \*\*\* in interim 2017 and \*\*\* in interim 2018. *Id.*

<sup>540</sup> *See* CR/PR at Table ALT C-4.

<sup>541</sup> *See* CR/PR at Table ALT C-4.

<sup>542</sup> Operating income as a ratio of net sales was \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017, and was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. CR/PR at Table ALT C-4. Net income as a ratio of net sales was \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017, and was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. *Id.*

<sup>543</sup> In fact, with the exception of interim 2018, cumulated subject import AUVs were above domestic industry AUVs in each year of the POI. CR/PR at Table ALT C-4.

<sup>544</sup> *See* CR/PR at Table ALT C-4.

We also note that petitioners have not separately argued that the domestic industry producing stainless steel LDW pipe is either experiencing material injury or threatened with material injury.<sup>545</sup> Respondents emphasize that the stainless steel LDW pipe industry was very profitable during the POI and that imports from Turkey were too limited to be of consequence.<sup>546</sup>

We find that there is no evidence to suggest that cumulated subject imports of stainless steel LDW pipe captured sales or market share from the domestic industry because of lower prices, nor is there evidence that cumulated subject imports had significant price-depressing effects on the prices of the domestic like product or prevented price increases, which otherwise would have occurred.<sup>547</sup> We therefore find that cumulated subject imports did not have a significant adverse impact on the domestic industry and that the domestic industry is not materially injured by reason of subject imports of stainless steel LDW pipe from China and India.

For the foregoing reasons, we find that the domestic stainless steel LDW pipe industry is not suffering material injury by reason of cumulated subject imports from Canada, China, India, Korea, and Turkey.

## **F. No Threat of Material Injury by Reason of Cumulated Subject Imports of Stainless Steel LDW Pipe**

### **1. Cumulation for Threat**

We have found that there is a reasonable overlap of competition between subject imports of stainless steel LDW pipe from all subject countries (except Greece) and between subject imports from each subject source and the domestic like product. Moreover, there is no information on the record to suggest that the reasonable overlap of competition between and among subject imports and the domestic like product that now exists will not continue into the imminent future.<sup>548</sup> We recognize the potential for some differences in conditions of competition and volume trends among subject imports from the five subject countries, but find that they are not significant enough to warrant not cumulating subject imports from all subject countries except Greece.

For these reasons, we conclude that it is appropriate to exercise our discretion to cumulate subject imports from all sources (except Greece) for our analysis of whether there is a threat of material injury to the domestic industry.

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<sup>545</sup> Petitioners do not discuss stainless steel pipe products or the industry producing such products in their prehearing brief, posthearing brief, or final comments.

<sup>546</sup> Turkish Producers and Exporters' Prehearing Brief at 8-9.

<sup>547</sup> The three producers of stainless steel LDW pipe have reported some effects from competition with subject imports for LNG projects. See CR/PR at Table VI-8. Any alleged effects of the subject imports appear to have been limited to 2016 and eliminated by 2017.

<sup>548</sup> The parties have not addressed cumulation of subject imports of stainless steel LDW pipe.

## 2. Analysis

### a. Likely Volume of Cumulated Subject Imports of Stainless Steel LDW Pipe

For purposes of threat, we consider whether, among other relevant economic factors, (1) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country, and (2) whether there will be a significant rate of increase of the volume or market penetration of imports of the subject merchandise, indicating the likelihood of substantially increased imports.

The record is limited concerning the foreign industries producing stainless steel LDW pipe. The Commission sought information from the foreign producer that accounted for the vast majority of subject imports during the POI, but that foreign producer did not provide any information.<sup>549</sup> Thus, we have no information concerning capacity, unused capacity, exports, inventories or the potential for product-shifting in the subject countries.<sup>550</sup> Given the lack of foreign producer participation, it is unclear whether the foreign industries are export oriented and have significant additional capacity to produce greater volumes of stainless steel LDW pipe. However, even if one were to assume that these industries are export-oriented and have significant additional capacity, these assumptions would not affect the outcome in this case. There has been no increase in subject imports, little to no evidence of underselling, and little to no evidence of interest in the U.S. market from subject foreign producers.

The record does not show a significant rate of increase in the subject imports. Rather the record indicates that subject imports have fluctuated during 2017 and interim 2018, and have not approached the level they reached in 2016.<sup>551</sup>

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<sup>549</sup> Staff was able to identify and send a foreign producer questionnaire to the Korean producer and exporter \*\*\* that accounted for over \*\*\* percent of the subject imports in 2016. The foreign producer, however, did not respond to the questionnaire. Email from \*\*\*. Parties did not identify any other foreign producers of subject stainless steel LDW pipe in the petition or other submissions to the Commission.

<sup>550</sup> There is no information indicating that any of the producers of carbon and alloy steel LDW line pipe and LDW structural pipe also produce stainless steel LDW pipe. Antidumping and countervailing duty orders on stainless steel sheet and strip from China entered into effect in the United States in April 2017. CR at V-2; PR at V-1. However, imports of stainless steel LDW pipe from China were lower in interim 2018 than in interim 2017. See CR/PR at Table ALT C-4.

<sup>551</sup> We also have considered the nature of the countervailable subsidies. In its final countervailing duty determination concerning LDWP from China, Commerce found seven programs in China to be countervailable, including the provision of inputs for less than adequate remuneration, preferential loans and interest rates, grants, tax deductions, and export credits, two of which appear to be export subsidies. In its final countervailing duty determination concerning LDWP from India, Commerce found six programs in India to be countervailable, including export promotion and export financing, four of which appear to be export subsidies. Commerce preliminarily determined five programs in Korea to be countervailable, including Korean Export-Import Bank subsidies, grants, and tax deductions, one of which appears to be an export subsidy. Commerce preliminarily determined nine programs in Turkey to be countervailable, including the provision of inputs for less than adequate  
(Continued...)



Accordingly, we do not find that there has been or is likely to be a significant rate of increase in the volume or market penetration of subject imports nor any existing unused capacity or imminent substantial increase in production capacity indicating the likelihood of substantially increased subject imports in the imminent future.

**b. Likely Price Effects of Cumulated Subject Imports of Stainless Steel LDW Pipe**

As discussed above, the Commission was unable to gather bid data for sales of stainless steel LDW pipe. However, the record indicates that the domestic industry's U.S. shipment unit values for stainless steel LDW pipe were consistently lower than cumulated subject import unit values each year from 2015 to 2017, indicating an absence of significant underselling by the cumulated subject imports. Moreover, as explained above, we cannot conclude that cumulated subject imports had significant depressing or suppressing effects on prices for the domestic product during the POI. The record does not indicate that this trend is likely to change in the imminent future. Indeed, apparent U.S. consumption was higher in interim 2018 than in interim 2017, suggesting that the domestic industry will be able to maintain its prices. We therefore do not find that cumulated subject imports are likely to have significant price depressing or suppressing effects in the imminent future.

**c. Likely Impact of Cumulated Subject Imports of Stainless Steel LDW Pipe**

First, we do not find that the domestic industry is vulnerable to material injury. It maintained a large market share through much of POI and was profitable. Its profits increased in 2017 and remained high in interim 2018. Demand for stainless steel LDW pipe also appears to be recovering given that apparent U.S. consumption was \*\*\* percent higher in interim 2018 compared to interim 2017. There is no evidence that the Section 232 duties will adversely affect this industry.<sup>552</sup>

As discussed above, we find neither a likelihood of substantially increased volumes of subject imports nor that subject imports are entering at prices that are likely to have a significant price-depressing or price-suppressing effect.<sup>553</sup> Given our conclusion that subject

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(...Continued)

remuneration, export financing, and tax deductions and exemptions, three of which appear to be export subsidies. CR at I-11 to I-12; PR at I-9.

<sup>552</sup> As noted above, the additional tariffs of 25-percent *ad valorem* under Section 232 apply to the raw materials used for production of stainless steel LDW pipe as well as stainless steel LDW pipe from the subject countries. CR at I-17 to I-18; PR at I-13 to I-14; CR/PR at Table I-2. Steel products from Korea are subject to a quota and those from Turkey are subject to a 50-percent tariff. *Id.*

<sup>553</sup> Although the three domestic producers have noted some potential adverse effects from the subject imports, we do not find that their narratives outweigh the data and other record evidence that indicate that the subject imports are not having an adverse effect on the domestic industry. See CR/PR at Table VI-8.

imports likely will not substantially increase and likely will not have significant adverse price effects in the imminent future, we find that cumulated subject imports will not likely have a significant adverse impact on the performance of the domestic industry. Accordingly, we conclude that the domestic stainless steel LDW pipe industry is not threatened with material injury by reason of subject imports from China and India.

For all of these reasons, we find that the domestic industry producing stainless steel LDW pipe is not threatened with material injury by reason of subject imports of stainless steel LDW pipe from China and India.

## **VII. Conclusion**

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of imports of LDW line pipe from India found by Commerce to be sold in the United States at less than fair value and subsidized by the government of India.<sup>554</sup> We find that that an industry in the United States is threatened with material injury by reason of imports of LDW line pipe from China that are sold in the United States at less than fair value.<sup>555</sup> We find that imports of LDW line pipe from China that are subsidized by the government of China are negligible and terminate that investigation with respect to LDW line pipe.<sup>556</sup>

We further determine that an industry in the United States is materially injured by reason of imports of LDW carbon and alloy steel structural pipe from China found by Commerce to be sold in the United States at less than fair value and subsidized by the government of China. We find that imports of LDW carbon and alloy steel structural pipe from India that are sold in the United States at less than fair value and subsidized by the government of India are negligible and terminate those investigations with respect to LDW carbon and alloy steel structural pipe.

We also determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of stainless steel LDW pipe from China and India sold in the United States at less than fair value and subsidized by the governments of China and India.

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<sup>554</sup> Commissioner Broadbent determines that an industry in the United States is not materially injured by reason of imports of LDW line pipe from India found by Commerce to be sold in the United States at less than fair value and subsidized by the government of India. *See Separate and Dissenting Views of Commissioner Meredith M. Broadbent.*

<sup>555</sup> Commissioner Broadbent determines that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of LDW line pipe from China found by Commerce to be sold in the United States at less than fair value. *See Separate and Dissenting Views of Commissioner Meredith M. Broadbent.*

<sup>556</sup> Commissioner Kearns finds that LDW line pipe and LDW structural pipe are a single domestic like product and determines that the domestic industry producing these products is materially injured by reason of subject imports from China and India sold in the United States at less than fair value and subsidized by the governments of China and India. *See Separate Views of Commissioner Jason E. Kearns.*

## **Separate and Dissenting Views of Commissioner Meredith M. Broadbent**

Based on the record in the final phase of these investigations, I determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of large diameter welded carbon and alloy steel line pipe (“line pipe”) from China and India found by the U.S. Department of Commerce (“Commerce”) to be sold at less-than-fair value (“LTFV”) and subsidized by the government of India.

I join the Views of the Commission with respect to my analysis of the domestic like products, the domestic industries, negligibility, cumulation, and conditions of competition. I also join the Views of the Commission with respect to: my affirmative determinations in the investigations of LTFV and subsidized imports of large diameter welded carbon and alloy steel structural pipe (“structural pipe”) from China; my negative determinations in the investigations of LTFV and subsidized imports of large diameter welded stainless steel pipe (“stainless steel pipe”) from China and India; and my determinations that subsidized imports of line pipe from China and LTFV and subsidized imports of structural pipe from India are negligible and to terminate those investigations.

I write separately to discuss my negative determinations with respect to LTFV imports of line pipe from China and India and subsidized imports of line pipe from India. My negative determinations regarding imports of line pipe are based on findings that: (1) subject imports decreased in absolute terms, and increased in relative terms only due to one of the petitioner’s own subject imports that entered for non-price reasons; (2) subject imports did not gain market share at the expense of the domestic industry over the full period of investigation; (3) the domestic industry’s prices changed in a manner consistent with a rapid decline in demand and fluctuations in raw material costs; (4) subject imports did not cause the domestic industry’s output and financial condition to be worse than it would have been otherwise; and (5) the domestic industry is not threatened with material injury in the imminent future by reason of LTFV imports from China and India and subsidized imports of line pipe from India.

### **I. No Material Injury By Reason of Subject Imports**

As discussed in the Views of the Commission, there is a reasonable overlap of competition between subject imports of line pipe from Canada, Greece, India, Korea, and Turkey.<sup>1</sup> Therefore, I cumulate subject imports from each of these countries for purposes of my analysis of material injury to the domestic industry producing line pipe.<sup>2</sup>

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<sup>1</sup> LTFV subject imports of line pipe from China are negligible for purposes of analyzing present injury, and therefore cannot be cumulated in this analysis.

<sup>2</sup> These views refer to the domestic industry producing line pipe, cumulated subject imports of line pipe, and nonsubject imports of line pipe as the “domestic industry,” “subject imports,” and “nonsubject imports,” respectively.

## A. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”<sup>3</sup>

The absolute volume of subject imports decreased by \*\*\* percent between 2015 and 2017, falling from \*\*\* short tons in 2015 to \*\*\* short tons in 2016, before increasing to \*\*\* short tons in 2017.<sup>4</sup> Between interim periods, subject imports decreased by \*\*\* percent, falling from \*\*\* short tons in interim 2017 to \*\*\* short tons in interim 2018.<sup>5</sup> The market share of subject imports fluctuated, and was \*\*\* percent in 2015, \*\*\* percent in 2016, \*\*\* percent in 2017, \*\*\* percent in interim 2017, and \*\*\* percent in interim 2018.<sup>6</sup>

Accordingly, I find that the volume of cumulated subject imports is significant both in absolute terms and relative to consumption in the United States. Nonetheless, subject imports did not increase overall during the full period of investigation, and the increase that did occur between 2016 and 2017 was a result of specific circumstances involving one U.S. producer, Welspun Tubular LLC (“Welspun”), as discussed in greater detail below.

## B. Price Effects of Subject Imports

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

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

As discussed in the Views of the Commission, there is a high degree of substitutability between the domestic like product and subject imports, and price is an important factor in purchasing decisions. Line pipe is generally sold for specific projects through bidding

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<sup>3</sup> 19 U.S.C. § 1677(7)(C)(i).

<sup>4</sup> CR/PR at Table ALT C-2.

<sup>5</sup> CR/PR at Table ALT C-2. Petitioners argue that the lower volume of subject imports in interim 2018 was due to the filing of the petitions in January 2018. Petitioners Prehearing Brief at 48-49. Importers reported that 86.7 percent of commercial shipments of subject imports were produced-to-order, with lead times averaging 162 days, indicating that the large majority of the subject imports in interim 2018 were ordered prior to the filing of the petition. CR at II-24; PR at II-16. Given the project-driven nature of this market and the long lead times between order and delivery of merchandise, I do not consider the decrease in subject imports in interim 2018 relative to interim 2017 to be a result of the pendency of these investigations.

<sup>6</sup> CR/PR at Table ALT C-2.

competition.<sup>7</sup> Purchasers of line pipe require suppliers to meet exacting and highly detailed technical specifications.<sup>8</sup> Rigorous safety and quality standards are aimed at avoiding catastrophic oil and gas pipeline failures.<sup>9</sup> Therefore, in addition to price, purchasers consider technical requirements, availability, quality, the application of the product, delivery dates, reliability of supplier, and payment terms when considering bids.<sup>10</sup> Although many purchasers reported that they at least sometimes allow sellers more than one chance to bid on a particular sales agreement, the majority of purchasers reported that they never discuss the bids of competing firms with suppliers.<sup>11</sup>

Because of the importance of bidding competition in this market, the Commission requested U.S. purchasers to provide the bid data for their five largest purchases of LDW line pipe over the period of investigation that involved at least one bid from a U.S. producer and at least one bid from a supplier of subject imports.<sup>12</sup> The U.S. producer was the winning bidder for 38 bidding events, while a supplier of subject imports was the winning bidder in 29 bidding events and a supplier of nonsubject imports or imports from China was the winning bidder in 10 bidding events.<sup>13</sup> For reported bidding events won by suppliers of subject imports, these suppliers underbid domestic producers in 17 of 22 occasions, or 77.2 percent of the time.<sup>14</sup> However, for all bidding events, including those won by suppliers of subject imports, the winning bidder most frequently did not offer the lowest-priced bid, indicating that non-price factors were important considerations by purchasers in most bidding events.<sup>15</sup>

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<sup>7</sup> CR at V-3, 6; PR at V-2, 4.

<sup>8</sup> Hearing Tr. at 203 (Burger), 234 (Phillips); Evraz Posthearing Brief, Exhibit 4 (CTL plate testimony of Mr. Ingo Riemer of Berg); Conference Tr. at 140, 144 (Kristofic). As an example of how individual pipeline projects can have unique and exacting technical requirements, a representative for Welspun stated in the preliminary conference with respect to its large \*\*\* project, "This was a unique pipeline, as the onshore 48 inch portion was designed to operate at 1,700 psi, which to our understanding has never been done previously in the USA." Conference Tr. at 125 (Fisher).

<sup>9</sup> Hearing Tr. at 178 (Atabey), 193-194 (Vidas).

<sup>10</sup> CR at V-7; PR at V-5.

<sup>11</sup> CR at V-6-7; PR at V-4-5.

<sup>12</sup> CR at V-7-8; PR at V-5-6. For all reported bidding events, suppliers of subject imports bid lower than domestic producers' bids in 59 of 100 occasions. CR/PR at Table V-4.

<sup>13</sup> CR/PR at Table D-19.

<sup>14</sup> CR/PR at Table D-19.

<sup>15</sup> For reported bidding events won by domestic producers, the U.S. producer did not bid the lowest price in 19 instances, did bid the lowest price in 15 instances, and was the only bidder reported by purchasers in 4 instances. For reported bidding events won by suppliers of subject imports, the supplier of the subject imports did not bid the lowest price in 12 instances, did bid the lowest price in 10 instances, and was the only reported bidder in 7 instances. CR/PR at Table D-19.

In addition to price, purchasers gave the following reasons for awarding bids to subject imports instead of the domestic like product: availability, delivery times, quality, and because they were the only bidder able to supply the requested product. CR at V-13; PR at V-7. For many bidding events, purchasers indicated that they awarded the project to subject imports for reasons unrelated to price. CR at F-16, F-17, F-28, F-32, F-42, F-43, F-44, F-46, F-51, F-52, F-55, F-63, F-64, F-69, F-71, F-73; PR at F-2.

The bid data suggest that suppliers of subject imports frequently won bidding events while offering lower bid prices than domestic competitors.<sup>16</sup> Many bidding events, however, were awarded to subject imports even if bid at higher prices than the domestic like product, and domestic producers also frequently won bidding events while both overbidding and underbidding subject imports. Therefore, the bid data indicate that underselling was mixed and that suppliers of both domestic and subject merchandise won sales for a variety of reasons, with non-price factors frequently driving purchasing decisions.

Underselling did not result in subject imports gaining market share at the domestic industry's expense over the full period of investigation, as the domestic industry's market share was \*\*\* percent in 2015, \*\*\* percent in 2016, \*\*\* percent in 2017, \*\*\* percent in interim 2017, and \*\*\* percent in interim 2018.<sup>17</sup> Subject imports did increase their market share in 2017, and the domestic industry lost market share in that year. However, the absolute and relative increases of subject imports in 2017 were driven by the imports from India of a petitioner, Welspun. Welspun, which was a respondent during the preliminary phase before rejoining the case as a petitioner in the final phase, stated that they substantially increased their imports from India for reasons unrelated to price. Welspun is affiliated with Welspun Corp. Limited ("Welspun India"), an Indian producer that accounted for the vast majority of reported Indian exports to the United States.<sup>18</sup> Subject imports from India, almost all of which were imported by Welspun,<sup>19</sup> increased by 359,283 short tons between 2016 and 2017, while all other subject imports decreased by 11,890 short tons between 2016 and 2017.<sup>20</sup> Therefore, the increase in subject imports in 2017, the only year in which the domestic industry lost market share, was accounted for by Welspun's sourcing of subject imports from India.

During the preliminary phase, Welspun provided explanations for two projects that they asserted accounted for "all of the imports from India in 2017."<sup>21</sup> Welspun was awarded \*\*\* project in \*\*\* for line pipe supplied by Welspun India.<sup>22</sup> Welspun's imports for this project accounted for \*\*\* percent of Welspun's imports from India in 2017.<sup>23</sup> This order was for LSAW

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<sup>16</sup> Twenty-one of 34 purchasers indicated that they purchased subject imports instead of the domestic like product during the period of investigation, with 19 purchasers indicating that the lower price of subject imports was a primary factor in their purchasing decisions involving subject imports. CR/PR at Table V-9.

<sup>17</sup> CR/PR at Table ALT C-2.

<sup>18</sup> CR at VII-23; PR at VII-15.

<sup>19</sup> Over the period of investigation, Welspun's imports from India were equivalent to \*\*\* percent of subject imports from India as compiled in official U.S. import statistics. CR/PR at Table III-9 and Table ALT C-2. In 2017, Welspun's imports accounted for \*\*\* percent of subject imports from India reported by U.S. importers in their questionnaire responses. CR/PR at Table IV-1. *See also* Conference Tr. at 128 (Fisher) ("At the outset, and I believe a comparison of our questionnaire responses to import data you have bears this out, Welspun is the major importer from India to the United States, and has historically been the largest one.")

<sup>20</sup> CR/PR at Table ALT C-2.

<sup>21</sup> Conference Tr. at 124 (Fisher).

<sup>22</sup> Welspun Postconference Brief at 4.

<sup>23</sup> Welspun Postconference Brief at 8.

line pipe with 48 inches outside diameter (“O.D.”) and wall thickness of 0.833 and 1.125 inches, as well as LSAW line pipe with 42 inches O.D. and wall thicknesses of 1.125, 1.250, 1.5, and 1.8 inches.<sup>24</sup> According to Welspun’s statements and evidence presented during the preliminary phase, \*\*\* requested 60-foot lengths for most of this project, a length that no U.S. producer could produce at a 48-inch O.D. at the specified wall thicknesses.<sup>25</sup> In response to Welspun’s statements from the preliminary phase, Petitioners provided evidence that \*\*\*.<sup>26</sup> \*\*\* did not provide bid information.<sup>27</sup> However, \*\*\* did provide additional information indicating that it purchased line pipe from India, specifically, because no U.S. producer was capable of fulfilling the technical requirements for the project in which the Indian pipe was used.<sup>28</sup> Therefore, while U.S. producer \*\*\* did bid on the \*\*\* project at the invitation of \*\*\*, information provided by the purchaser itself supports Welspun’s statements that the \*\*\* project was awarded to Welspun India because no U.S. producer could completely fulfill the technical requirements of the project, not due to the lower price of subject imports.<sup>29</sup>

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<sup>24</sup> Welspun Postconference Brief at 4.

<sup>25</sup> Welspun Postconference Brief at 4-8, Exhibit 3. Welspun provided a quote form from \*\*\* indicating that \*\*\* was requesting a pipe joint length of “TRL” (“triple random length”), which refers to 60-foot length pipe, for the large majority of pipe, particularly 48-inch pipe. Welspun Postconference Brief at Exhibit 3. After changing from a Respondent to a Petitioner in the final phase of these investigations, Mr. Russell Fisher of Welspun stated at the hearing, “And, honestly, I did not think that anyone could make that in the United States when we quoted it. One competitor says that he can make it, and I have to take him at his word that he can make it. So that’s basically where that’s at.” Hearing Tr. at 73 (Fisher). This statement does not in itself contradict evidence provided by Welspun during the preliminary phase regarding this sale.

<sup>26</sup> Petitioners Posthearing Brief, Exhibit 2 at 6, Exhibits 28-29, Exhibit 55. Petitioners also provide documentation of \*\*\*. Petitioners Posthearing Brief, Exhibit 2 at 6, Exhibit 30. \*\*\* changed its request to ask for additional product types, many of which they sought in 60-foot lengths, at the time of Welspun’s final bid in 2016. Welspun Postconference Brief at 5, Exhibit 3. Therefore, the \*\*\* provided by Petitioners in the final phase is not as relevant to the understanding of the project’s actual requirements as the 2016 RFQ provided by Welspun in its preliminary phase brief.

<sup>27</sup> CR at V-8 n. 9; PR at V-5 n. 9.

<sup>28</sup> In response to a question concerning lost sales, \*\*\* \*\*\*. The purchaser questionnaire response of \*\*\* therefore indicates that it purchased subject imports from India primarily for technical, non-price reasons, and that no U.S. producer was capable of meeting the technical requirements for the project, or projects, fulfilled by Indian line pipe.

Petitioners provide \*\*\*. Petitioners Prehearing Brief, Exhibit 1. However, the statements of \*\*\* do not outweigh the purchaser questionnaire response of \*\*\*, particularly because that questionnaire was filled out and certified by the same employee, \*\*\*, who corresponded with \*\*\* and \*\*\* during the bidding process for \*\*\*. Petitioners Posthearing Brief at Exhibit 28 and Exhibit 30; \*\*\* U.S. purchaser questionnaire.

<sup>29</sup> Petitioners argue that the fact that \*\*\* was invited to bid on the \*\*\* project provides evidence that it was technically qualified to produce the pipe required for this project, and therefore that price was the only consideration of the purchaser \*\*\*. Petitioners Posthearing Brief, Exhibit 1 at 44. However, the record contains numerous references to purchasers receiving bids from suppliers that were ultimately considered incapable of meeting the project requirements or were ultimately rejected (Continued...)

Welspun also was awarded \*\*\* Mountain Valley project in \*\*\*, which accounted for \*\*\* percent of Welspun’s imports from India in 2017.<sup>30</sup> Welspun initially planned to supply the large majority of this project from its Little Rock facility.<sup>31</sup> However, Welspun stated that it switched most of this production to Welspun India after the United States imposed antidumping and countervailing duties on imports of hot-rolled steel from Korea which Welspun Little Rock had already purchased, but not imported, to produce the line pipe.<sup>32</sup> Therefore, the substantial increase in subject imports from India which supplied the Mountain Valley project was the result of a U.S. producer’s business decision to shift production to its overseas affiliate in order to avoid a substantial unexpected raw material cost. Moreover, while other U.S. producers may have been capable of supplying this project, their loss of this sale to a U.S. producer which ultimately shifted the production overseas after bidding had taken place does not constitute a lost sale to subject imports. In addition, bid data provided by \*\*\* indicate that the two other U.S. producers that bid for the Mountain Valley project were not awarded the project due to non-price reasons.<sup>33</sup>

Because the two Welspun projects accounted for the increase in subject imports in 2017, and because these projects were supplied by subject imports as a result of specific circumstances unrelated to the price of subject imports, I find that subject imports did not gain market share at the domestic industry’s expense in 2017 due to underselling.

Subject imports also did not cause significant price depression, as evidence of price declines early in the period of investigation correspond with a sharp decline in demand for line pipe. The Commission’s extensive bid data do not give a clear picture of price trends. The domestic industry’s average unit values (“AUVs”) of U.S. shipments declined from \*\*\* per short ton in 2015 to \*\*\* per short ton in 2016, and then increased to \*\*\* per short ton in 2017 and \*\*\* per short ton in interim 2018.<sup>34</sup> Therefore, the AUV of U.S. shipments increased by a net \*\*\* percent over the full period of investigation.<sup>35</sup> Other information on the record also indicates that prices for line pipe decreased between 2015 and 2016 and then increased in 2017 and interim 2018.<sup>36</sup> Line pipe prices decreased from 2015 to 2016 following a sharp decline in oil and gas prices between 2014 and 2015,<sup>37</sup> which precipitated a 30.3 percent

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(...Continued)

due to quality concerns. See CR/PR at Appendix F. Therefore, \*\*\* participation in the \*\*\* bidding process does not itself indicate that it was capable of meeting the technical requirements of this project.

<sup>30</sup> Welspun Postconference Brief at 8, 11.

<sup>31</sup> Welspun Postconference Brief at 9-11.

<sup>32</sup> Welspun Postconference Brief at 10. Welspun confirmed this testimony during the final phase hearing. Hearing Tr. at 73 (Fisher).

<sup>33</sup> CR at F-32; PR at F-2. \*\*\*.

<sup>34</sup> CR/PR at Table ALT C-2.

<sup>35</sup> CR/PR at Table ALT C-2.

<sup>36</sup> Petitioners provided data on two line pipe products (not limited to domestic industry shipments) that also demonstrate price declines from early 2015 through mid-to-late 2016, and then price increases thereafter. Petitioners Posthearing Brief at Exhibit 52.

<sup>37</sup> The WTI spot price of crude oil fell from \$93.17 per barrel in 2014 to \$48.66 per barrel in 2015, and remained low at \$43.29 per barrel in 2016, \$50.90 per barrel in 2017, and an estimated \$58.28 per (Continued...)



decrease in apparent U.S. consumption between 2015 and 2016.<sup>38</sup> In addition, prices for the key raw materials used to make line pipe, hot-rolled steel and cut-to-length (“CTL”) plate, also decreased between 2015 and 2016.<sup>39</sup> Therefore, the decreases in U.S. prices of line pipe during the early part of the period of investigation occurred in line with declining demand and raw material costs, and therefore cannot be attributed to subject import underselling.<sup>40</sup> As discussed above, evidence on the record indicates that U.S. prices subsequently increased. I do not find that subject imports depressed prices to a significant degree.

Subject imports also did not cause significant price suppression, as U.S. prices would not have substantially increased in a market with substantially reduced demand conditions. As discussed above, the AUV of the domestic industry’s U.S. shipments increased in 2017 and interim 2018 after declining in 2016. The COGS/net sales ratio fluctuated and experienced an overall increase over the period, rising from \*\*\* percent in 2015 to \*\*\* percent in 2016, and then falling to \*\*\* percent in 2017 and \*\*\* percent in interim 2018.<sup>41</sup> Despite this evidence of a cost-price squeeze, it is unlikely that prices would have increased to a greater extent given the continued low demand in the U.S. market. Oil and gas prices remained at low levels in 2016, 2017, and 2018.<sup>42</sup> As a result, apparent U.S. consumption remained at a steady reduced level after dropping sharply in 2016, rising only by 1.3 percent between 2016 and 2017 and then falling by 2.7 percent between interim periods.<sup>43</sup> Although raw material prices increased between 2016 and 2017 and surpassed previous levels in 2018,<sup>44</sup> any ability for U.S. producers to fully pass along these increased raw material costs to their customers was likely constrained by the consistent low demand for line pipe. In addition, given the fact that prices for line pipe

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(...Continued)

barrel in 2018. The Henry Hub natural gas spot price similarly decreased from \$4.37 per million Btu in 2014 to \$2.62 per million Btu in 2015, and was \$2.52 per million Btu in 2016, \$2.98 per million Btu in 2017, and an estimated \$3.20 per million Btu in 2018. Evraz Prehearing Brief, Exhibit 1. Rotary rig count, another indicator of demand, also declined considerably over this period. CR/PR at Figure II-2.

<sup>38</sup> CR/PR at Table ALT C-2. Oil and gas prices and rig counts are leading indicators of demand for line pipe. Because there is a lag between when bids are awarded and when line pipe is delivered in the U.S. market, apparent U.S. consumption trends for line pipe typically lag the leading indicators of demand. Hearing Tr. at 241-243 (Peterson, Coffin, Winkler) (“line pipe usually lags about a year after the rig count”); Petitioners Posthearing Brief, Exhibit 1 at 60 (discussing a lag between bidding and shipment ranging from several months to more than a year). Most firms indicated that demand for line pipe increased or fluctuated since January 2015 in contradiction to apparent U.S. consumption trends, which likely reflects this lag, as oil and gas prices have improved since low points in 2015 and 2016. CR/PR at Figure II-1; CR at II-22; PR at II-15.

<sup>39</sup> CR/PR at Figure V-1.

<sup>40</sup> Only three purchasers indicated that U.S. producers had reduced prices due to lower prices of subject imports, estimating U.S. price reductions of 3.2-5.5 percent. CR/PR at Table V-11.

<sup>41</sup> CR/PR at Table ALT C-2.

<sup>42</sup> Evraz Prehearing Brief, Exhibit 1.

<sup>43</sup> CR/PR at Table ALT C-2.

<sup>44</sup> CR/PR at Figure V-1.

are set at the time of bidding rather than the time of delivery,<sup>45</sup> there was a lag between the increased market prices of raw materials and increased delivered prices of line pipe. Therefore, the increase in the AUV of U.S. shipments of line pipe during the latter part of the period of investigation was consistent with the increase in raw material prices, even as it was restrained by low demand. In light of these facts, I do not find that subject imports prevented price increases, which otherwise would have occurred, to a significant degree.

In view of the foregoing, I find that although subject imports undersold the domestic like product for certain sales, they did not gain sales as a result of underselling that caused the domestic industry to lose market share. In addition, subject imports did not have the effect of depressing prices or preventing price increases for the domestic like product that would have otherwise occurred to a significant degree. Accordingly, I do not find that subject imports caused significant price effects.

### **C. Impact of Subject Imports<sup>46</sup>**

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission “shall evaluate all relevant economic factors which have a bearing on the state of the industry.”<sup>47</sup> These factors include output, sales, inventories, capacity

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<sup>45</sup> Petitioners Posthearing Brief, Exhibit 1 at 60. Most U.S. producers reported that their contracts did not allow for price renegotiations, fixed both price and quantity, and were not indexed to raw material costs. CR at V-4; PR at V-3.

<sup>46</sup> The statute instructs the Commission to consider the “magnitude of the dumping margin” in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination, Commerce found antidumping duty margins of 50.55 percent for imports from India. *Large Diameter Welded Pipe From India: Final Determination of Sales at Less Than Fair Value; 2017*, 83 Fed. Reg. 56811 (Nov. 14, 2018). Commerce also preliminarily found antidumping duty margins of 24.38 percent for imports from Canada, 7.45 percent for imports from Greece, 14.97 to 22.21 percent for imports from Korea, and 3.45 to 5.29 percent for imports from Turkey. *Large Diameter Welded Pipe from Canada: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 Fed. Reg. 43649 (Aug. 27, 2018); *Large Diameter Welded Pipe From Greece: Amended Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 48795 (Sep. 27, 2018); *Large Diameter Welded Pipe From the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43651 (Aug. 27, 2018); *Large Diameter Welded Pipe From the Republic of Turkey: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 Fed. Reg. 43646 (Aug. 27, 2018). I have considered these dumping margins, giving particular weight to the final margin provided by Commerce for subject imports from India, in addition to other factors related to the domestic industry’s condition. My analysis of the lack of significant price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

<sup>47</sup> 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 (“In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may (Continued...)”).

utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>48</sup>

The domestic industry’s trade and financial indicators declined between 2015 and 2017 as apparent U.S. consumption decreased by 29.4 percent, or by 845,039 short tons, and by an additional 2.7 percent between interim periods. Over this period, the domestic industry’s U.S. shipments declined at a similar rate as apparent U.S. consumption, falling by \*\*\* percent between 2015 and 2017 from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and \*\*\* short tons in 2017. U.S. shipments increased by \*\*\* percent from \*\*\* short tons in interim 2017 to \*\*\* short tons in interim 2018. As a result, the domestic industry’s market share remained steady with the exception of a spike upward in 2016, and was \*\*\* percent in 2015, \*\*\* percent in 2016, \*\*\* percent in 2017, \*\*\* percent in interim 2017, and \*\*\* percent in interim 2018.<sup>49</sup>

As shipments declined, domestic line pipe production decreased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and \*\*\* short tons in 2017; production was \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. The domestic industry’s production capacity was relatively stable at \*\*\* short tons in 2015, \*\*\* short tons in 2016, and \*\*\* short tons in 2017; capacity was \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. As capacity remained relatively constant and production declined, the industry’s capacity utilization decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and \*\*\* percent in 2017; capacity utilization was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. The domestic industry’s end-of-period inventories decreased from \*\*\* short tons in 2015 to \*\*\* short tons in 2016 and \*\*\* short tons in 2017; end-of-period inventories were \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. Employment trends related to the number of production and related workers (“PRWs”), total hours worked, wages paid, hourly wages, and productivity declined over the POI.<sup>50</sup>

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(...Continued)

demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.”).

<sup>48</sup> 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

<sup>49</sup> CR/PR at Table ALT C-2.

<sup>50</sup> CR/PR at Table ALT C-2. Employment declined from \*\*\* PRWs in 2015 to \*\*\* PRWs in 2016 and \*\*\* PRWs in 2017; employment was \*\*\* PRWs in interim 2017 and \*\*\* PRWs in interim 2018. Total hours worked decreased annually from \*\*\* hours in 2015 to \*\*\* hours in 2016 and \*\*\* hours in 2017; total hours worked were \*\*\* hours in interim 2017 and \*\*\* hours in interim 2018. Wages paid declined annually from \$\*\*\* in 2015 to \$\*\*\* in 2016 and \$\*\*\* in 2017; wages paid were \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. Hourly wages fluctuated, and were \$\*\*\* per hour in 2015, \$\*\*\* per hour in 2016, \$\*\*\* per hour in 2017, \$\*\*\* per hour in interim 2017, and \$\*\*\* per hour in interim 2018. Productivity fell from \*\*\* short tons per 1,000 hours in 2015 to \*\*\* short tons per 1,000 hours in 2016 and to \*\*\* short tons per 1,000 hours in 2017; productivity was \*\*\* short tons per 1,000 hours in interim 2017 and \*\*\* short tons per 1,000 hours in interim 2018.

The domestic industry's financial indicators declined as a result of both decreased quantities of shipments and overall lower prices. The domestic industry's net sales value declined from \$\*\*\* in 2015 to \$\*\*\* in 2016 and \$\*\*\* in 2017; the net sales value was \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018.<sup>51</sup> The industry's total COGS declined from \$\*\*\* in 2015 to \$\*\*\* in 2016 and \$\*\*\* in 2017; COGS increased from \$\*\*\* in interim 2017 to \$\*\*\* in interim 2018. Gross profit decreased from \$\*\*\* in 2015 to \$\*\*\* in 2016 and then slightly increased to \$\*\*\* in 2017; gross profit was \$\*\*\* in interim 2017 and \$\*\*\* in interim 2018. Operating income decreased from \$\*\*\* in 2015 to \$\*\*\* in 2016 and then increased to \$\*\*\* in 2017; operating income was \*\*\* in interim 2017 and \$\*\*\* in interim 2018. The industry's operating income margin decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016, and then increased to \*\*\* percent in 2017; the operating income margin was \*\*\* percent in interim 2017 and \*\*\* percent in interim 2018. Net income decreased from \*\*\* in 2015 to \$\*\*\* in 2016 before increasing to \*\*\* in 2017; it was \*\*\* in interim 2017 and \$\*\*\* in interim 2018.<sup>52</sup>

Over the period of investigation, the domestic industry reduced its capital expenditures, which fell from \*\*\* in 2015 to \*\*\* in 2016 and \*\*\* in 2017; capital expenditures were \*\*\* in interim 2017 and \*\*\* in interim 2018. The industry's research and development expenses were \*\*\* in 2015, \*\*\* in 2016, \*\*\* in 2017, \*\*\* in interim 2017, and \*\*\* in interim 2018.<sup>53</sup>

The U.S. line pipe industry primarily supplies producers of oil and natural gas pipelines. As a result, the sharp declines in oil and natural gas prices immediately prior to the period of investigation as well as the sustained low oil and natural gas prices throughout the period had serious adverse effects on this industry. As apparent U.S. consumption declined substantially between 2015 and 2017, virtually all of the domestic industry's indicia also declined. In particular, U.S. shipments fell at nearly an identical pace as apparent U.S. consumption between 2015 and 2017, corresponding with similar declines in production, capacity utilization, employment, net sales, and capital expenditures. Similarly, evidence of a cost-price squeeze over the period along with reduced income is consistent with the substantially lower demand. Therefore, the lower demand caused by the collapse of oil and natural gas prices is a condition of competition that explains the performance of this industry over the period of investigation.

Although subject imports were present in significant volumes and frequently at lower prices than those of U.S. producers' bids, they did not gain market share from the domestic industry as a result of this underselling. Because of the project-specific nature of this market, U.S. shipments did not decrease in lockstep with apparent U.S. consumption, and the domestic industry's market share fluctuated. Domestic producers increased their market share in 2016 as consumption fell rapidly and they completed deliveries from prior sales.<sup>54</sup> In 2017, domestic producers experienced a reduction in market share to near 2015 levels as subject imports

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<sup>51</sup> The overall decline in net sales between 2015 and 2017 was a result of a \*\*\* percent decline in the unit value of net sales and a \*\*\* percent decline in the quantity of net sales. Between interim periods, the unit value of net sales increased by \*\*\* percent even as the quantity of net sales decreased slightly by \*\*\* percent. CR/PR at Table ALT C-2.

<sup>52</sup> CR/PR at Table ALT C-2.

<sup>53</sup> CR/PR at Table ALT C-2.

<sup>54</sup> Hearing Tr. at 153 (El-Sabaawi).

increased as a result of the Welspun sales discussed above. Between interim periods, the domestic industry improved its market share by increasing its U.S. shipments despite declining apparent U.S. consumption. The net result of these project-driven fluctuations was that the domestic industry maintained its market share over the period of investigation.<sup>55</sup>

Subject imports also did not cause the domestic industry's financial results to be worse than they would have been otherwise. As discussed above, I do not find that subject imports caused either price depression or price suppression, as the evidence with respect to U.S. prices for line pipe indicates that they decreased in 2016 as both demand and raw material prices fell, and increased thereafter despite demand remaining at a reduced level. In addition, the domestic industry's operating income margin was lowest in 2016 during the point at which subject imports were present in the lowest quantities and held the lowest market share; in 2017 as subject imports increased due to the Welspun sales, the domestic industry's operating income margins increased, further demonstrating the lack of relationship between subject import competition and the industry's financial condition.

In conclusion, I find that subject imports did not gain market share at the domestic industry's expense. When the volume of subject imports did increase, it did so for reasons other than price underselling. Although the domestic industry's output, employment, and financial condition declined over the POI, this was caused by substantially reduced demand for line pipe due to a collapse in oil and natural gas prices. Similarly, in the absence of adverse price effects, subject imports did not cause the domestic industry's financial condition to be worse than it would have been otherwise.

In view of the foregoing, I find that subject imports did not have a significant impact on the domestic industry.

## **II. No Threat of Material Injury by Reason of Subject Imports**

### **A. Legal Standard**

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."<sup>56</sup> The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material

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<sup>55</sup> Petitioners stated at the hearing that the most appropriate basis to consider market share was the full period of investigation. Hearing Tr. at 152 (Brightbill) (in response to a question concerning the domestic industry's gain in market share in 2016).

<sup>56</sup> 19 U.S.C. § 1677(7)(F)(ii).

injury by reason of subject imports would occur unless an order is issued.<sup>57</sup> In making my determination, I consider all statutory threat factors that are relevant to these investigations.<sup>58</sup>

## B. Cumulation for Threat

Under section 771(7)(H) of the Tariff Act, the Commission may “to the extent practicable” cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.<sup>59</sup>

As discussed in the Views of the Commission, there is a reasonable overlap of competition among subject imports from Canada, Greece, India, Korea, and Turkey and between subject imports from each of these five countries and the domestic like product. In addition, LTFV imports from China are eligible for cumulation with subject imports from the five

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<sup>57</sup> 19 U.S.C. § 1677(7)(F)(ii).

<sup>58</sup> These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

...

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

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

19 U.S.C. § 1677(7)(F)(i). To organize my analysis, I discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to this investigation.

<sup>59</sup> 19 U.S.C. § 1677(7)(H).

other countries with respect to threat analysis. Although subject imports from China were negligible during the period of investigation, evidence on the record indicates that they were present throughout the period of investigation,<sup>60</sup> they were generally fungible with other subject imports and with the domestic like product,<sup>61</sup> they were present in geographic markets that overlapped with those where other subject imports were present,<sup>62</sup> and they were sold into similar channels of distribution.<sup>63</sup> Therefore, there is a reasonable overlap of competition among subject imports from all six countries and between subject imports from each country and the domestic like product. The record also does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from the six countries in the imminent future. The volume of subject imports from each source fluctuated based on their own distinct trends, reflecting the project-driven nature of the U.S. line pipe market. I therefore conclude that it is appropriate to exercise my discretion to cumulate subject imports from Canada, China, Greece, India, Korea, and Turkey for the purposes of my threat analysis.

## **A. Analysis**

### **1. Likely Volume**

Cumulated subject imports were significant over the period of investigation and fluctuated, reflecting the project-driven nature of the U.S. line pipe market. Subject imports decreased overall by \*\*\* percent between 2015 and 2017, and by \*\*\* percent between interim periods.<sup>64</sup>

In response to the foreign producer/exporter questionnaire, foreign producers provided data with respect to their LDWP production operations. Foreign producer data accounted for \*\*\* U.S. imports from Canada, \*\*\* U.S. imports from Greece, \*\*\* percent of U.S. imports from India, \*\*\* percent of U.S. imports from Korea, and \*\*\* percent of U.S. imports from Turkey.<sup>65</sup> The Commission did not receive any foreign producer questionnaires from producers of LDWP in China.<sup>66</sup> The foreign producer questionnaire data therefore underrepresent the size of the industries in several of the subject countries due to a lack of full foreign industry participation.

Despite being understated due to lack of complete responses from certain foreign producers, the capacity and excess capacity of the subject industries is high both absolutely and

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<sup>60</sup> CR/PR at Table D-17. Subject imports from China were present in the U.S. market in 41 out of 42 months during the period of investigation.

<sup>61</sup> CR/PR at Table II-12.

<sup>62</sup> CR/PR at Table D-13.

<sup>63</sup> CR/PR at Table D-11.

<sup>64</sup> CR/PR at Table ALT C-2. As discussed above, given the project-driven nature of this market and the long lead times between order and delivery of merchandise, I do not consider the decrease in subject imports in interim 2018 to be a result of the pendency of these investigations.

<sup>65</sup> CR at VII-3, VII-16, VII-23, VII-31, and VII-38; PR at VII-3, VII-11, VII-15, VII-20, and VII-25.

<sup>66</sup> CR at VII-13; PR at VII-8.

relative to apparent U.S. consumption.<sup>67</sup> The foreign industries' capacity utilization remained consistently low, but stable, over the entire period of investigation, and was 34.5 percent in 2015, 36.4 percent in 2016, 36.8 percent in 2017, 36.6 percent in interim 2017, and 37.5 percent in interim 2018.<sup>68</sup> In addition, the combined foreign industries were export oriented, with 63.4 percent of total shipments being exported in 2017, up from 58.8 percent in 2015.<sup>69</sup> However, these industries became less focused on exporting to the United States over the period of investigation, consistent with the lower volume of subject imports. As a share of total shipments, the foreign industries' exports to the United States decreased from 34.7 percent in 2015 to 29.6 percent in 2017, and from 33.2 percent in interim 2017 to 21.9 percent in interim 2018. Foreign producers project that their exports to the United States in 2019 will account for only 10.2 percent of their total shipments.<sup>70</sup> Consequently, the record does not indicate that efforts by subject producers to utilize excess capacity and increase export shipments will focus on the U.S. market.

No other statutory threat factor indicates that subject imports will increase significantly in the imminent future. U.S. importer inventories increased from 2015 to 2017 but the inventory level in interim 2018 was significantly lower than interim 2017.<sup>71</sup> U.S. importer inventories of subject merchandise remained low relative to the volume of subject imports in each year, consistent with evidence that most subject imports of line pipe were generally produced-to-order.<sup>72</sup> Moreover, inventories in the subject countries declined in both absolute and relative terms from 2015 to 2017 and remained steady between interim periods.<sup>73</sup>

As stated above with respect to the lack of present material injury caused by subject imports from Canada, Greece, India, Korea, and Turkey, the record indicates that those subject imports were significant but decreased absolutely and did not increase their market share at the expense of the domestic industry.<sup>74</sup> There is no indication that subject imports will increase

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<sup>67</sup> Foreign producers had a combined capacity of 5.2 million short tons and excess capacity of 3.3 million short tons in 2017, compared to apparent U.S. consumption of 2.0 million short tons in that year. Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3, G-5, and ALT C-2.

<sup>68</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3, and G-5. Responding firms from Canada, Korea, and Turkey reported that they produced \*\*\* short tons of LDW structural pipe or out-of-scope product in 2017 using the same machinery used to produce subject LDW line pipe. Derived from CR/PR at Tables VII-4, VII-19, and VII-24.

<sup>69</sup> CR/PR at Table VII-31. Official export statistics indicate that Chinese exports of welded pipe greater than 16" in diameter decreased from 1.5 million short tons in 2015 to 1.3 million short tons in 2016, and then to 876,801 short tons in 2017. CR/PR at Table VII-7.

<sup>70</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3, and G-5.

<sup>71</sup> U.S. importer inventories of subject imports of line pipe were \*\*\* short tons in 2015, \*\*\* short tons in 2016, and \*\*\* short tons in 2017; inventories were \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. CR/PR at Table ALT C-2.

<sup>72</sup> CR at II-24; PR at II-16. U.S. importer inventories of subject imports were equivalent to \*\*\* percent of subject imports in 2015, \*\*\* percent in 2016, \*\*\* percent in 2017, \*\*\* percent in interim 2017, and \*\*\* percent in interim 2018. CR/PR at Table ALT C-2.

<sup>73</sup> Derived from CR/PR at Tables VII-4, VII-14 and G-1, G-3, and G-5.

<sup>74</sup> These trends are not affected when low and declining volume of subject imports from China are included within the volume of cumulated subject imports. CR/PR at Table ALT C-2.



significantly in the imminent future in light of the consistent capacity utilization of the subject industries, the decreasing focus on exports to the United States between 2015 and 2017 and between interim periods, and the declining volume of cumulated subject imports. In addition, future exports to the United States will likely be restrained by the section 232 tariffs of 25 percent on imports from Canada, China, Greece, and India, the section 232 tariff of 50 percent on imports from Turkey, and the section 232 quota on imports from Korea.<sup>75</sup> While cumulated subject imports will likely remain significant in the imminent future, they are not likely to increase significantly.

## 2. Likely Price Effects

In section I.B. above, I found that subject imports significantly undersold the domestic product for projects won by suppliers of subject imports, but that such underselling did not result in the domestic industry losing market share to subject imports. I also found that notwithstanding subject import underselling during the POI, they did not have significant effects on prices for the domestic like product.<sup>76</sup> In addition, I have found that subject imports are not likely to increase significantly in the imminent future. Therefore, even if cumulated subject imports enter the U.S. market at low prices in the imminent future, the record does not indicate that subject imports will likely depress or suppress domestic prices or lead to the domestic industry losing market share. I consequently find that imports of the subject merchandise are unlikely to enter at prices that would be likely to have a significant depressing or suppressing effect on domestic prices or that would be likely to increase demand for further subject imports.

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<sup>75</sup> The record indicates that Mexico and Canada have imposed antidumping or countervailing duty orders on similar line pipe products to those covered under these investigations from India, China, and Korea, among other countries. CR/PR at Table VII-30. The existence of third-country trade barriers does not, in itself, indicate that there is likely to be a significant increase in subject imports in the imminent future in light of the other considerations discussed above.

I also consider the nature of the countervailable subsidies in India and Turkey. In its final countervailing duty determination concerning LDWP from India, Commerce found six programs in India to be countervailable, including export promotion and export financing, four of which appear to be export subsidies. Commerce preliminarily determined five programs in Korea to be countervailable, including Korean Export-Import Bank subsidies, grants, and tax deductions, one of which appears to be an export subsidy. Commerce preliminarily determined nine programs in Turkey to be countervailable, including the provision of inputs for less than adequate remuneration, export financing, and tax deductions and exemptions, three of which appear to be export subsidies. CR at I-11 to I-12; PR at I-9 to I-10.

<sup>76</sup> Although the cumulated subject imports analyzed with respect to present material injury do not include subject imports from China, the findings made with respect to underselling and the lack of adverse price effects would not have changed with China included given the small quantity of subject imports from China.

### **3. Likely Impact**

I found in section I.C. above that the domestic industry experienced reduced output, employment, and financial trends over the period of investigation consistent with substantially lower demand in the U.S. market and other conditions of competition unrelated to the effects of subject imports. Therefore, the domestic industry is in a vulnerable condition. Notwithstanding this vulnerability, I have found that subject imports are not likely to increase significantly in the imminent future, and therefore are unlikely to increase their market share at the expense of the domestic industry. Subject imports are also not likely to have significant depressing or suppressing effects on domestic prices. Therefore, subject imports are not likely to cause the domestic industry's condition to be worse than it would be otherwise, and are not likely to have a significant impact on the domestic industry in the imminent future.

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

### **III. Conclusion**

For the reasons stated above, I determine that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports of line pipe from China and India that are sold in the United States at less than fair value and subsidized by the government of India.

## Separate Views of Commissioner Jason E. Kearns

Based on the record in the final phase of these investigations, I find that an industry in the United States is materially injured by reason of imports of carbon and alloy (other than stainless) steel large diameter welded pipe (“non-stainless LDWP”) from China and India.<sup>1</sup> I concur with my colleagues in finding that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of stainless steel pipe from China and India.

In reaching these determinations, I join sections I, II A, B, and C, and the like product views regarding stainless LDWP in the Views of the Commission (“the Views”). I write separately for non-stainless LDWP with respect to the definition of the domestic like product, domestic industry, cumulation, and material injury.

In essence, I differ with the majority of the Commission in just two respects. First, whereas the majority defines LDW structural pipe and LDW line pipe as separate like products, I find that all non-stainless LDWP is one domestic like product. (I agree with the majority that LDW stainless steel structural pipe is a separate like product.) Second, I find that appropriate circumstances do not exist to exclude Evraz Oregon from the domestic industry.

### **I. Domestic Like Product**

#### **1. Whether Stainless Steel LDW Pipe Should be Defined to be a Separate Domestic Like Product**

I concur with the majority of the Commission in finding that there is a clear dividing line between stainless steel LDW pipe and non-stainless carbon and alloy LDWP. I emphasize that, unlike with LDW line and LDW structural pipe, as discussed below, there is no record of one-way interchangeability between stainless LDW pipe and non-stainless LDWP, and that the gap in average unit values between the two products is substantial, as stainless LDWP is often priced several times above what non-stainless LDWP is priced.

#### **2. Whether LDW Line Pipe and LDW Structural Pipe Should be Defined to be Separate Domestic Like Products**

In *Hosiden Corp. v. Advanced Display Manufacturers of America*, a seminal case often cited by petitioners, respondents, and the Commission, the Federal Circuit was asked to consider whether it was appropriate for the Commission to define four different kinds of high-information content flat panel displays as one domestic like product (i.e., to combine the four

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<sup>1</sup> As noted, subject imports from China were found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value and subsidized by the government of China. Subject imports from India were found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value and subsidized by the government of India.

kinds into one domestic like product).<sup>2</sup> The Federal Circuit concluded that it was appropriate to do so, recognizing that imports of one kind of the product could injure a producer of another kind of the product: “the Commission is not restricted by artificial distinctions that may distort the true picture of injury to the domestic industry. \*\*\* injury caused by multiple classes or kinds of imports, when those imports compete with the same domestic like product, appropriately measures the nature of the injury to the domestic industry.”<sup>3</sup>

After considering the facts on the record under the traditional six factors, and for the reasons described below, I conclude that defining LDW line and LDW structural pipe as separate like products would “distort the true picture of injury” here. I therefore find that all non-stainless LDWP (line and structural, combined) is one domestic like product, as the Commission did in the preliminary phase of this investigation.

*Manufacturing Facilities, Production Processes, and Employees.* Three key facts stand out from the record with respect to the comparability of manufacturing facilities, production processes, and employees.<sup>4</sup>

First, it appears that it is fairly easy to shift from producing LDW line pipe to producing LDW structural pipe. Both LDW line and LDW structural pipe are produced by the same manufacturing processes: ERW, HSAW, and LSAW. Production of LDW line pipe to API standards requires additional steps such as hydrostatic testing and X-ray examination of the weld in order to detect any defects. Additional ‘finishing lines’ are required for production of LDW line pipe produced to API standards.<sup>5 6</sup> And while the testing process is stringent and costly for LDW line pipe, it is relatively easy to produce LDW structural pipe on the same equipment used for LDW line pipe by simply skipping the additional testing at the end of the production process.

Second, there is significant overlap between producers of LDW line and LDW structural pipe. In fact, viewing LDW line and LDW structural pipe as separate like products and industries would lead to an odd outcome, in my view: About two-thirds of the LDW pipe that a hypothetical ‘*structural* pipe industry’ produced on *structural* pipe equipment ends up as LDW *line* pipe, not LDW structural pipe. In 2017, only 17.4 percent of the LDW pipe that the

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<sup>2</sup> *Hosiden v. Advanced Display Mfrs. Of America*, 83 F.3d 1561 (Fed. Cir. 1996) (The four kinds were active-matrix LCDs, passive-matrix LCDs, gas plasma displays, and electroluminescent displays).

<sup>3</sup> *Id.* at 1569.

<sup>4</sup> I note that seven U.S. producers indicated that LDW line pipe and LDW structural pipe were fully or mostly comparable in manufacturing processes, five indicated “somewhat,” and only two indicated “never.” Among purchasers, six indicated that LDW line pipe and LDW structural pipe were fully or mostly comparable in manufacturing processes, five indicated “somewhat,” and seven indicated “never.” CR/PR at Table I-6.

<sup>5</sup> It also appears that, at least for some producers, the grade of the steel used to produce the pipe may be higher for line pipe. But the grade of the raw material used does not affect the production “facilities” or “employees”, and it is relatively easy to shift from making line pipe using a higher grade of steel to structural pipe using a lower grade.

<sup>6</sup> Se, e.g., CR/PR at Table E-3. (U.S. producer \*\*\* line pipe, in which case it is almost exactly the same)”).

‘structural pipe industry’ produced on structural pipe equipment was LDW structural pipe.<sup>7</sup> In other words, if there is a ‘LDW structural pipe industry,’ it mostly makes LDW line pipe.<sup>8</sup>

A look at a hypothetical ‘LDW line pipe industry’ also suggests meaningful overlap. For example, the vast majority (\*\*\*) percent) of the LDW line pipe produced in the United States is produced by producers that also make LDW structural pipe.<sup>9</sup> And, in some respects at least, it appears that the overlap may be increasing: in 2015, 6.2 percent of the LDW pipe that the “LDW line pipe industry” produced on its LDW line pipe equipment was LDW structural pipe; that figure grew to 9.0 percent in 2016 and 11.5 percent in 2017.<sup>10</sup>

Finally, the distinction between LDW line pipe production and LDW structural pipe production is not clear, for several reasons. In many cases, producers do not know whether they are producing LDW line or LDW structural pipe until after they have finished production. Specifically, product intended to be LDW line pipe that does not pass testing is often downgraded and sold for structural uses.<sup>11</sup> As Evraz has explained, it “identifies structural pipe at the finishing stage.”<sup>12</sup> Domestic producer \*\*\*, for example, does not intentionally produce structural pipe – yet it was the \*\*\*-largest (out of 13) U.S. producer LDW structural pipe in 2017.<sup>13</sup>

It is not clear from the record how much product intended to be LDW line pipe is downgraded to LDW structural pipe. Purchaser \*\*\* estimated that about \*\*\* percent of pipe that is intended to be produced as LDW line pipe is downgraded to structural. Producer \*\*\* estimated \*\*\* percent, while producer \*\*\* estimated \*\*\*.<sup>14</sup> Because the volume of LDW line pipe production is much greater than structural pipe production, a substantial share of structural pipe production is actually downgraded line pipe. If we assume the midpoint of \*\*\* estimated range, \*\*\* percent, that would mean that \*\*\* percent of structural pipe in 2015 would have been produced as LDW line pipe and downgraded to LDW structural pipe, and that \*\*\* percent of LDW structural pipe in 2017 would have been produced as LDW line pipe and downgraded to LDW structural pipe.<sup>15</sup>

Thus, if I were to find that there is a stand-alone LDW structural pipe industry in the United States, then that industry’s production decisions may be largely dependent upon, and an incidental consequence of, production decisions made by the LDW line pipe industry. For

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<sup>7</sup> CR/PR at Table III-6. The remainder is out-of-scope products.

<sup>8</sup> And, as explained further below, despite the fact that the \*\*\* largest LDW structural pipe producer in the United States does not make LDW line pipe, the LDW structural pipe it makes “\*\*\*”

<sup>9</sup> CR/PR at Table I-8.

<sup>10</sup> CR/PR at Table III-5.

<sup>11</sup> Hearing Tr. At 96 (Noland).

<sup>12</sup> Petitioners’ Prehearing brief, pp. 6-7.

<sup>13</sup> Petitioners’ Posthearing Brief, Exhibit 1 at 8 nn. 34, 35; \*\*\* Producer Questionnaire Response at II-4a; and Staff Report Table I-8.

<sup>14</sup> See \*\*\*.

<sup>15</sup> I recognize that over 2015-2017, approximately a \*\*\* of U.S. production of LDW structural pipe was produced by U.S. producers of LDW line pipe. While these numbers are lower than the estimates above, these numbers still show a high percentage of U.S. production of LDW structural pipe is produced by U.S. producers that also manufacture LDW line pipe. Calculations based on CR/PR at Tables C-2 and C-5, and U.S. producers’ questionnaire data.

example, if demand for LDW structural pipe decreases, one might expect that a LDW structural pipe industry would produce less product. Here, however, it may produce more product despite declining demand, simply because LDW line pipe production may have increased, and so there may be more downgraded LDW line pipe in the LDW structural market.

There are other reasons the distinction between LDW line and LDW structural pipe production is not clear. For example, in some cases, 'structural' pipe is produced to API standards.<sup>16</sup> The \*\*\* producer of LDW structural pipe (\*\*\*), for example, does not produce any LDW line pipe.<sup>17</sup> Nevertheless, this producer explained that it "\*\*\*\*"<sup>18</sup> The record also indicates that some customers, such as the National Highway Institute as well as the states of Pennsylvania and Washington, may require API standard pipe in certain structural applications, such as bridge pilings.<sup>19</sup> In addition, some LDW line pipe is sold as LDW structural pipe when there is excess supply of LDW line pipe.<sup>20</sup>

Given that the production process is essentially the same before post-production testing, the overlap in producers, and the blurred line between the two types of product, I find that there is significant overlap in the manufacturing facilities, production processes, and employees used to produce non-stainless LDWP for structural and line uses.

*Physical characteristics and uses.* LDW line and LDW structural pipe are tubular products produced from carbon and alloy steel. There is at least some evidence on the record that LDW line pipe is made from a higher grade of steel than LDW structural pipe.<sup>21</sup> Non-stainless LDWP can be stenciled as meeting ASTM specifications for LDW structural pipe and/or as meeting the higher API 5L specifications for use as LDW line pipe. There does not appear to be any dispute that API 5L pipe (so-called "line" pipe) can be used for structural purposes,<sup>22</sup> whereas ASTM structural pipe is for "less intense" purposes<sup>23</sup> and may not be used to convey oil and gas. And, as described above, LDW structural pipe may sometimes meet API standards even though used in structural applications.<sup>24</sup>

In essence, the questionnaire responses and other information on the record make clear that pipe produced to API standards has superior physical characteristics over pipe that only meets ASTM specifications, and that only API pipe may be used to convey oil and gas. But it is equally clear that API pipe generally can be and has been used for structural purposes as well. Whether LDW line pipe is used for structural purposes could depend entirely on whether the price is low enough (addressed below).

*Interchangeability.* LDW line and LDW structural pipe are interchangeable when used for structural purposes, but not interchangeable when used for conveying oil and gas. Most U.S.

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<sup>16</sup> Petitioners' Prehearing Brief at 7-8.

<sup>17</sup> CR/PR at Table I-8. See also response of \*\*\*. \*\*\*\*.

<sup>18</sup> CR/PR at Table E-1 (\*\*\* also states that "\*\*\*\*").

<sup>19</sup> Petitioners' Prehearing Brief, p. 8.

<sup>20</sup> See, e.g., Purchaser Questionnaire Response of \*\*\* to question III-7 (stating that the firm evaluates both line and structural pipe for the same end use "\*\*\*\*")

<sup>21</sup> CR/PR at Table E-1 (\*\*\* indicate different grades of steel are required for LDW line pipe than for LDW structural pipe).

<sup>22</sup> See CR/PR at Table E-2, p. E-13 (Purchaser \*\*\*, purchaser \*\*\*).

<sup>23</sup> See CR/PR at Table E-2, p. E-12, response of purchaser \*\*\*.

<sup>24</sup> See staff report at CR I-34-35 and PR at I-27-28, and petitioners' prehearing brief at pp. 6-7.

producers indicated that LDW line pipe and LDW structural pipe are sometimes comparable, while most purchasers indicated that they never were,<sup>25</sup> responses that are consistent with one-way interchangeability.<sup>26</sup> Further, despite the fact that 22 of 26 responding purchasers indicated that LDW line and LDW structural pipe are never interchangeable, at least seven purchasers reported that they evaluated both LDW line and LDW structural pipe for the same end use.<sup>27</sup>

The only reason API 5L pipe would not be used for structural purposes is that it may be more costly, given that API 5L pipe may use a higher grade of steel and is subject to more stringent testing requirements than ASTM pipe. Thus, again, purchaser responses suggest API line pipe is interchangeable for structural applications – if the price is low enough (addressed below).

*Channels of Distribution.* Most API-stenciled pipe (\*\*\*) percent in 2017) and most ASTM-stenciled pipe (\*\*\*) percent) is sold to end users. While the proportion is significantly higher for API-stenciled product, I do not find the difference to be material.<sup>28</sup> Whether non-stainless LDWP is stenciled as LDW line pipe or LDW structural pipe, it is usually sold to distributors or to end users on large projects.<sup>29</sup>

*Customer and Producer Perceptions.* A majority of U.S. producers (7 of 13) indicated that line and structural pipe are somewhat comparable in market perceptions, whereas a majority of purchasers (12 of 16) indicated they are never comparable.<sup>30</sup> In my view, and as explained above, questionnaire responses should be interpreted with care in this case, especially with respect to aggregated summary responses, and in particular with respect to “perceptions” in the market. Asking purchasers their perceptions about the uses of a product may be somewhat circular where, as here, the product in essence is labeled from the beginning for one use (e.g., API line pipe) rather than another (ASTM structural), regardless of whether it can be used for

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<sup>25</sup> CR/PR at Table I-6.

<sup>26</sup> See, e.g., purchaser questionnaire response of MRC (stating that line and structural pipe are “never” comparable with respect to interchangeability, but then explaining that “line pipe can be used for structural applications”). Clearly, purchasers had difficulty reducing their answers on interchangeability to single letter descriptions such as “N” or “S”. As Purchaser \*\*\* stated (after refusing to answer with a single letter description), “\*\*\*\*” Interestingly, in addition to suggesting interchangeability, this response suggests that downgraded line pipe may have a price impact on the structural pipe market.

<sup>27</sup> See Purchaser Questionnaire responses to question III-7 of \*\*\*.

<sup>28</sup> CR/PR at Table I-7. While the staff report distinguishes between “oil and gas end users” and “other end users,” I believe the type of end use is better addressed under “uses” than under “channels of distribution.” In any event, with respect to uses, it is worth noting from table I-7 that some structural pipe (\*\*\*) percent) is sold to oil and gas end users. And, although not evident from this table, some line pipe is sold for structural uses.

<sup>29</sup> A plurality of purchasers indicated that LDW line pipe and LDW structural pipe are never comparable in channels of distribution, while a plurality of U.S. producers indicated that they were somewhat comparable. CR/PR at Table I-6. But, as explained above, it appears that some purchasers had difficulty reducing their answers to single letter descriptions such as “N” or “S”. It is not clear that “never” means “never” in this investigation. I find the data in Table I-7 to be more probative than these aggregated summary responses.

<sup>30</sup> CR/PR at Table I-6.

the other. Moreover, purchasers in the petroleum sector (where ASTM pipe cannot be used) may answer questions very differently than purchasers of pipe used for structural purposes (where both API and ASTM pipe can be used), and those domestic producers that produce only LDW structural pipe may respond to the questions very differently than producers who produce to both ASTM and API specifications. Respondents in one segment of the market may not be familiar with the other segment. As a result, tallying up one-word summary responses of one kind or another may not shed much light on the subject in this case.

*Price.* As noted above with respect to both use and interchangeability, the extent to which API pipe is used for structural purposes could depend entirely on whether the price is low enough. I therefore view this factor (as well as production facilities, processes, and employees), as particularly important in this investigation.

Many U.S. producers and purchasers described LDW line pipe as being sold at a price premium to LDW structural pipe, although few put a specific amount on the premium.<sup>31</sup>

AUV data, however, suggest that this premium shrank considerably over the period of investigation, from \$\*\*\* in 2015 to \$\*\*\* in 2016, \$\*\*\* in 2017, and \$\*\*\* in the first half of 2018.<sup>32</sup> This shrinking gap – from \*\*\* percent in 2015 to just \*\*\* percent in the first half of 2018 -- suggests a growing competitive overlap between line and structural pipe, at least in the current market.

More importantly, this \*\*\* percent difference in unit values (\$\*\*\* for line and \$\*\*\* for structural in the first half of 2018) hardly suggests that line pipe (which otherwise is interchangeable with structural pipe for structural uses) and structural pipe are separate like products.<sup>33</sup>

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<sup>31</sup> \*\*\*. CR at Tables E-1 and E-2. A majority of U.S. producers indicated that prices for LDW line pipe are somewhat comparable to those of LDW structural pipe, while a majority of purchasers indicated that they never were.

<sup>32</sup> U.S. producers' average unit values of U.S. shipments for LDW line pipe were \$1,131 per short ton in 2015, \$1,026 in 2016, \$1,047 in 2017, and \$1,156 in interim 2018. CR/PR at Table C-2. These values were higher than U.S. producers' average unit values for LDW structural pipe, which were \$\*\*\* per short ton in 2015, \$\*\*\* in 2016, \$\*\*\* in 2017, and \$\*\*\* in interim 2018. CR/PR at Table C-5.

<sup>33</sup> This difference appears to be fairly insignificant compared to other unit value differences, as well as differences on specific bids, on the record. For example, the unit values of U.S. LDW line pipe also differed by roughly 10 percent, or more, from one period to another during the investigation, as did the unit values of U.S. LDW structural pipe. See, e.g., Table C-2 (from 2015 to 2016, the unit value of U.S. shipments of line pipe fell 9.2 percent; and in the first six months of 2018 compared to the same period in 2017, the value rose 12.9 percent); and Table C-5 (unit values for US shipments of structural pipe fell \*\*\* percent from 2015 to 2016, rose \*\*\* percent from 2016 to 2017, and rose \*\*\* percent in the interim period). Moreover, intra-industry AUVs appear to differ as much as this difference between line and structural pipe. For example, in 2017, \*\*\* unit net sales value was \*\*\* percent greater than \*\*\* unit value that year. This difference was \*\*\* percent in the first half of 2018. \*\*\* and \*\*\* are the two largest line pipe producers in the United States and produce relatively little structural pipe (\*\*\* accounts for \*\*\* percent of structural pipe production) or no structural pipe production (\*\*\*). See CR/PR Tables I-8 and VI-3. The bid data also suggest that differences in bids on specific projects vary by this amount, even among just U.S. bidders. See, e.g., CR/PR p. F-9 (U.S. initial bids vary from \*\*\* to \*\*\*), lowest bid \*\*\* percent lower than highest bid); p. F-19 (U.S. initial bids vary from \*\*\* to \*\*\*).



I also cannot ignore the fact that the unit value of cumulated subject LDW line pipe imports, at \$\*\*\*, was slightly *below* the unit value of U.S. LDW structural pipe shipments, at \$\*\*\*, in 2017 – i.e., paradoxically, if there is a premium, U.S. shipments of LDW structural pipe are sold at a premium over subject LDW line pipe imports, particularly from India, not the other way around.<sup>34</sup> I recognize that the Commission normally does not compare the prices and unit values of one type of domestically produced product to the prices and unit values of another type of imported product within the scope of the investigation. But in the final analysis the statute requires a comparison between domestically produced products and subject imports: the Commission is to determine whether a domestically produced product is “like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation.”<sup>35</sup> In essence, a key question in this case is whether subject imports of LDW line pipe compete against domestically produced LDW structural pipe. I believe that they do.<sup>36</sup>

As the court recognized with respect to different kinds of flat panel displays in *Hosiden*, drawing a distinction between LDW line and LDW structural pipe in this case would, in my view, distort the true picture of injury to the domestic industry. Finding that non-stainless LDWP (both API and ASTM) constitutes one domestic like product allows me to better measure any injury to the domestic industry. At the same time, in measuring that injury, I am mindful of

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<sup>34</sup> See CR/PR, Tables C-2 and C-5. Imports from India had the lowest unit values among the subject sources of line pipe, at just \$753 – \*\*\* percent *below* the unit value of U.S. shipments of structural pipe. Because the majority has found that line and structural pipe are separate like products, dumped and subsidized Indian structural pipe imports are negligible and not subject to an antidumping or countervailing duty order. As a result, an Indian producer of line pipe can lawfully stencil that pipe as structural and export it to the United States free of antidumping or countervailing duties to be sold in the structural segment of the market. In addition, there is even the possibility that an Indian producer of line pipe can stencil that pipe as structural pipe, export it to the United States, and have it tested and stenciled as line pipe in the United States. Similarly, if an order were issued on structural pipe but not line pipe, subject imports of line pipe could enter the United States and then be sold as structural pipe, thereby harming U.S. producers of structural pipe. On the other hand, I am also aware that treating two products that are truly different from one another as one like product also has harmful consequences: an order would be placed on imports that are not injuring a U.S. industry.

<sup>35</sup> 19 U.S.C. § 1677(10) (emphasis added).

<sup>36</sup> In this case, the customary approach of analyzing only domestic industry data in defining the domestic like product would seem to create a catch-22 not intended by Congress: In defining the domestic like product, we would not consider the fact that dumped and subsidized subject imports of line pipe can easily compete head to head against domestically produced structural steel (as they meet more stringent standards and are lower priced). Then, if we find line and structural pipe are separate domestic like products, we would not consider the impact that dumped and subsidized subject imports of line pipe have on the U.S. structural pipe industry. That appears to me to be inconsistent with Congressional intent. See S. Rep. No. 96-249 at 90-91 (“The requirement that a product be ‘like’ the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product or article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under investigation.”) (Emphasis added.)

differences that exist between the line and structural segments of the non-stainless LDWP market.

## II. Domestic Industry

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>37</sup> Based on my determination that all large diameter welded carbon and other alloy steel pipe is one like product (but LDW stainless steel structural pipe is another), I define one domestic industry: U.S. producers of LDW carbon and other alloy steel pipe. I consider whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. \*\*\* 1677(4)(B). Section 1677(4)(B) of the Tariff Act allows the Commission, if appropriate circumstances exist, to exclude from a domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.<sup>38</sup> Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each investigation.<sup>39</sup>

As explained further below, four domestic producers of LDW carbon and other alloy steel pipe – Evraz Oregon Steel Tubular (“Evraz Oregon”), Jindal Tubular, Skyline Steel LLC (“Skyline”), and Welspun Tubular LLC (“Welspun Tubular”) – meet the statutory definition of a related party because they \*\*\* related to an exporter or imported subject merchandise. None of the three LDW stainless steel pipe producers is a related party.

*Evraz Oregon.* Evraz Oregon is related to \*\*\*, producers and exporters of the subject merchandise through common ownership. Thus, Evraz Oregon is a related party and eligible for exclusion from both the LDW carbon and other alloy steel pipe industry. Evraz Oregon accounted for \*\*\* percent of domestic production of non-stainless LDWP during 2015.<sup>40</sup>

\*\*\* by Evraz Oregon’s related affiliates were \*\*\* short tons in 2015 (the equivalent of \*\*\* percent of Evraz Oregon’s domestic production of LDWP), \*\*\* short tons in 2016 (the equivalent of \*\*\* percent of Evraz Oregon’s domestic production), and \*\*\* short tons in 2017.<sup>41</sup>

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<sup>37</sup> 19 U.S.C. § 1677(4)(A).

<sup>38</sup> 19 U.S.C. § 1677(4)(B).

<sup>39</sup> See *Torrington Co. v. United States*, 790 F. Supp. At 1168; *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).

<sup>40</sup> Calculated from CR/PR at Tables III-9 and C-6.

<sup>41</sup> Evraz Oregon ceased domestic production in 2016. CR/PR at Table III-9. Imports of LDWP from Canada by Evraz Oregon’s related affiliates were \*\*\* short tons in interim 2017 and \*\*\* short tons in interim 2018. CR/PR at Table III-9. Evraz Oregon explained that its affiliates imported because of the geographical proximity of Evraz’s Canadian mills to U.S. projects in the Northeast. Conf. Tr. At 166 (Kristofic).

Evrz Oregon's operating income to net sales ratio was \*\*\* for LDWP.<sup>42</sup>

In these investigations, Evraz Oregon's ratio of subject imports to its U.S. production suggests its primary interest lies in importation, a conclusion which weighs in favor of excluding Evraz Oregon from the domestic industry. However, the purpose of excluding related parties is to minimize any distortion in the aggregate data related to the condition of the domestic industry that might result from including related parties whose operations are shielded from the adverse effects of the subject imports, or that benefit from those imports.<sup>43</sup> In this investigation, it does not appear that Evraz Oregon was "shielded from the adverse effects" of subject imports, or otherwise was "benefitting from its relationship" with \*\*\*. To the contrary, Evraz Oregon ceased domestic production in 2016, while its subject imports \*\*\* from 2016 to 2017. Its operating income to net sales ratio was \*\*\*, and its capital expenditures declined from \*\*\* in 2017. Also, Evraz Oregon \*\*\*.<sup>44</sup>

Based on the facts of this record, I determine that there is a greater risk of skewing the industry data by excluding Evraz Oregon than by including it, and note that no party has advocated Evraz Oregon's exclusion as a related party.<sup>45</sup> I therefore find, consistent with the Commission's preliminary determination, that appropriate circumstances do not exist to exclude Evraz Oregon as a related party.

I concur with my colleagues' analysis of Jindal Tubular, Skyline, and Welspun Tubular.

I therefore define the domestic industry to include all domestic producers of each type of domestic like product in the definitions of the two domestic industries producing non-stainless LDWP and LDW stainless steel pipe.

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<sup>42</sup> Evraz Oregon's operating income to net sales ratios on LDW line pipe production were \*\*\*. Evraz Oregon's operating income to net sales ratios on LDW structural pipe production were \*\*\*. See \*\*\*.

<sup>43</sup> *Allied Mineral Products, Inc. v. United States*, F. Supp. 2d, Slip Op. 04-139 (CIT 2004) at 5; *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 12 (CIT 2001) ("\*\*\*he provision's purpose is to exclude from the industry headcount domestic producers substantially benefitting from their relationships with foreign exporters."); *Torrington Co. v. United States*, 790 F. Supp. 1168 (CIT 1992), *aff'd without opinion*, 991 F. 2d 809 (Fed. Cir. 1993). There may be other situations that suggest including a related party could skew the industry data, including situations that misleadingly suggest that subject imports are causing industry to the U.S. industry. In my view, the Commission should attempt to avoid any distortion in the industry data, in either direction, that is due to relationships with exporters or importers of subject merchandise, or that results from their importation of the subject merchandise.

<sup>44</sup> \*\*\* I am mindful, however, that its support may simply suggest that its Canadian affiliates would benefit if imports into the United States from countries other than Canada were subject to additional duties.

<sup>45</sup> It is worth noting, however, that any skewing of the industry data here is likely to be slight, given that Evraz Oregon accounted for just \*\*\* percent of U.S. production in 2015.

### III. Cumulation

I join my colleagues' discussion (in the Views) of the statutory factors considered in determining cumulation (V), for their summaries of the parties' arguments (V.A.), and for the filing of petitions on all the subject countries on the same day. However, because I have determined a different domestic like product (non-stainless LDWP) than they did, I perform a separate cumulation analysis. My cumulation analysis, unlike that of my colleagues, will include all imports of non-stainless LDWP from both China and India.

Based on the record of these investigations, I find a reasonable overlap of competition among eligible subject imports from Canada, China, India, Greece, Korea, and Turkey and between subject imports from each source and the domestic like product.

*Fungibility.* There appears to be a high degree of substitutability between domestically produced non-stainless LDWP and non-stainless LDWP imported from subject sources.<sup>46</sup> Non-stainless LDWP, regardless of source, is generally produced in accordance with API and/or ASTM standards.<sup>47</sup> The vast majority of purchasers indicated that domestic product and subject imports from all sources could meet minimum quality requirements.<sup>48</sup>

When comparing the domestic product to the subject imports from each country, half or more of responding U.S. producers and importers reported that the domestic product and imports from each subject source are always or frequently used interchangeably.<sup>49</sup> For comparisons between imports from subject sources, half or more of responding U.S. producers and importers indicated that LDWP from each subject source is always or frequently used interchangeably.<sup>50</sup> Half or more of responding purchasers indicated that LDWP from domestic producers or subject sources are always or frequently used interchangeably.<sup>51</sup>

In addition, most U.S. producers and importers reported that there were only sometimes or never differences other than price in comparisons between imports from subject countries and between subject imports and domestic LDWP.<sup>52</sup> Purchasers provided more mixed responses, with a plurality usually indicating that there were always differences other than price between imports from subject countries and between subject imports and domestic LDWP.<sup>53</sup> However, purchasers ranked imports from each subject country as comparable to the

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<sup>46</sup> See CR at II-24 and PR at II-16.

<sup>47</sup> See CR at I-23 to I-25, PR at I-19-20.

<sup>48</sup> CR/PR at Table II-13.

<sup>49</sup> See CR/PR at Table II-12.

<sup>50</sup> See CR/PR at Table II-12.

<sup>51</sup> See CR/PR at Table II-12. Thirty-four of 44 responding purchasers are primarily purchasers of LDW line pipe, and the remaining 10 are primarily purchasers of LDW structural pipe. CR at II- 26 n.25, PR at II-17 n.25. The staff report data on purchaser descriptions of interchangeability, comparability, and factors other than price are for "LDWP," which includes LDW stainless pipe. Since all purchasers primarily purchase LDW carbon and other alloy steel pipe, as a practical matter, the staff report's comparisons of LDWP are comparisons of LDW carbon and other alloy steel pipe.

<sup>52</sup> See CR/PR at Table II-14.

<sup>53</sup> See CR/PR at Table II-14. Nonetheless, for every combination of U.S. and subject countries, there were also always at least three purchasers that stated that such factors were only sometimes or never significant.

domestic like product on the vast majority of purchase factors although the domestic product was sometimes rated superior with respect to delivery time, reliability of supply, and inferior with respect to price.<sup>54</sup>

I concur with my colleagues' discussion of Evraz' arguments on fungibility in the Views.

*Channels of Distribution.* Subject imports of LDW carbon and other alloy steel pipe and the domestic like product shared the same general channels of distribution. During the period of investigation, domestic producers and importers of subject imports from Canada, Greece, India, and Turkey were sold primarily to end users.<sup>55</sup> Subject imports from China and Korea and were sold to end users as well as distributors.<sup>56</sup> (A relatively small share of subject imports from China were sold to oil and gas end users.)

*Geographic Overlap.* U.S. producers reported selling LDWP to all regions of the contiguous United States.<sup>57</sup> Subject imports from all subject countries (except China) were sold in the Northeast, Midwest and Central Southwest, and subject imports from all subject countries except Canada were present in the Southeast.<sup>58</sup>

*Simultaneous Presence in Market.* Subject imports from Canada, China, and Korea were present in the U.S. market in all 42 months of the POI, January 2015-June 2018.<sup>59</sup> Subject imports from India were present in 33 of 42 months and subject imports from Turkey were present in 35 of 42 months.<sup>60</sup> Subject imports from Greece were present in the U.S. market in 26 of 42 months of the POI.<sup>61</sup> The record also indicates that subject producers in Canada, China, Greece, India, Korea, and Turkey bid in competition with domestic producers on multiple projects requiring LDW line pipe during the POI.<sup>62</sup>

*Conclusion.* The record indicates that imports from the eligible subject countries are fungible with the domestic like product and with each other, that imports from each of the eligible subject countries and the domestic like product are sold in similar channels of distribution and similar geographic markets (notwithstanding some minor variations among country sources), and that subject imports and the domestic like product have been simultaneously present in the U.S. market. In light of the foregoing, I find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country eligible for cumulation and between imports from each such subject country.

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<sup>54</sup> CR/PR at Table II-11.

<sup>55</sup> See CR/PR at Tables I-7, II-1.

<sup>56</sup> See CR/PR at Table II-1.

<sup>57</sup> CR/PR at Table II-2.

<sup>58</sup> CR/PR at Table II-2.

<sup>59</sup> CR/PR at Table IV-10.

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

<sup>61</sup> CR/PR at Table IV-10.

<sup>62</sup> See CR/PR at Table V-4. Subject producers in Canada submitted 33 bids on LDW carbon and other alloy steel pipe projects. Subject producers in China submitted 9 bids on LDW carbon and other alloy steel pipe projects. Subject producers in Greece submitted 28 bids on LDW carbon and other alloy steel pipe projects. Subject producers in India submitted 8 bids on LDW carbon and other alloy steel pipe projects. Subject producers in Korea submitted 16 bids on LDW carbon and other alloy steel pipe projects. Subject producers in Turkey submitted 16 bids on LDW carbon and other alloy steel pipe projects. *Id.*

## **IV. Material Injury by Reason of Subject Imports**

I refer to my colleagues' opinion (in the Views) for the relevant legal standards. However, because I have determined a different domestic like product (non-stainless LDWP) than they did, I describe somewhat different conditions of competition than they did, and reach a finding of injury for somewhat different reasons. In some parts, my analysis can be based on combining my colleagues' separate findings for LDW line pipe and LDW structural pipe; in cases where it cannot, I have provided my own analysis.

### **A. Conditions of Competition**

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

#### **1. Demand Considerations**

Demand for non-stainless LDWP comes primarily from new pipeline construction for the transmission of oil and gas, although some product is also used in the construction sector. Pipeline construction activity generally tracks oil and gas demand indicators, such as rig counts, oil and gas prices, and planned pipeline projects. These indicators generally show that, after demand fell from 2015 to 2016, it began rising again somewhat in 2017. Going forward, the number of planned pipeline projects remains strong through at least 2020. More general construction activity (an indicator of demand for non-stainless LDWP used in structural end uses) rose steadily over the period of investigation and shows no sign of abating.

Apparent consumption of LDW carbon and other alloy steel pipe fell from \*\*\* short tons in 2015 to \*\*\* short tons in 2016, and remained roughly at that level in 2017. Interim 2018 apparent consumption was \*\*\* short tons, \*\*\* percent lower than the interim 2017 level of \*\*\* short tons. A majority of U.S. producers reported that U.S. demand had fluctuated, while a plurality of importers indicated that U.S. demand had increased.<sup>63</sup> A majority of purchasers reported that demand for LDWP for use in the oil and gas sector had increased, while purchasers expressed a broad range of opinions on demand in other sectors.<sup>64</sup>

#### **2. Supply Considerations**

Non-stainless LDWP is typically made to order for pipeline and construction projects.<sup>65</sup> Most domestic and subject non-stainless LDWP is shipped directly to end users, but can also be first shipped to a distributor. Domestic producers and importers generally reported lead times

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<sup>63</sup> CR/PR at Table II-4.

<sup>64</sup> CR/PR at Table II-4.

<sup>65</sup> CR at II-1.

averaging 86 to 162 days, respectively.<sup>66</sup> LDW line pipe accounted for the vast majority of shipments of non-stainless LDWP during January 2015-June 2018.<sup>67</sup>

The domestic industry had the largest share of the U.S. non-stainless LDWP market during January 2015-June 2018. The domestic industry's market share increased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then declined to \*\*\* percent in 2017, for an overall decline of \*\*\* percentage points. The domestic industry's market share rose to \*\*\* percent in January-June 2018, an increase of \*\*\* percent over the same period in 2017.<sup>68</sup>

The domestic industry's capacity declined \*\*\* percent over 2015-2017, but then rose \*\*\* percent over January-June 2018.<sup>69</sup> Most domestic producers (all except for \*\*\*) reported a prolonged shutdown, curtailment, and/or workforce or capacity reductions.<sup>70</sup> Among these shutdowns, \*\*\*.<sup>71</sup> Five domestic producers reported expansions of their plants, although several of these also reported that their overall capacity utilization had fallen.<sup>72</sup>

Subject imports were the second largest source of supply to the U.S. market. Subject imports' share of apparent U.S. consumption decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016, and then increased to \*\*\* percent in 2017. Subject imports decreased from \*\*\* percent in January-June 2017 to \*\*\* percent in January-June 2018.<sup>73</sup>

Nonsubject imports were the third largest source of supply to the U.S. market during January 2015-June 2018, but were generally decreasing. Nonsubject imports' share of apparent U.S. consumption decreased from \*\*\* percent in 2015 to \*\*\* percent in 2016 and \*\*\* percent in 2017. They rose from \*\*\* percent in January-June 2017 to \*\*\* percent in January-June 2018.

### 3. Substitutability and Other Conditions

There is a high degree of substitutability between domestically produced LDWP and subject imports. LDWP is produced to API and ASTM standards,<sup>74</sup> and a large majority of purchasers agreed that U.S. and non-stainless LDWP from all subject countries always or usually meets minimum quality specifications. Purchaser responses generally show a high level of substitutability between U.S. product and subject imports. The majority of purchasers ranked U.S. product and subject imports (by country) as comparable in most factors, except in price (in which subject imports other than those of Canada and Turkey were described as lower-priced than U.S. product).<sup>75</sup> Most U.S. producers, importers, and purchasers also described U.S. product and subject imports (by country) as always or frequently interchangeable with each

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<sup>66</sup> CR at II-24 and PR at II-16.

<sup>67</sup> CR/PR at II-1.

<sup>68</sup> CR/PR at Table C-6.

<sup>69</sup> CR/PR at Table C-6.

<sup>70</sup> CR/PR at Table III-3.

<sup>71</sup> CR/PR at Table III-3.

<sup>72</sup> CR/PR at Table III-3.

<sup>73</sup> CR/PR at Table C-6.

<sup>74</sup> CR at I-20, PR at I-13.

<sup>75</sup> CR/PR at Table II-11.

other.<sup>76</sup> Similarly, most U.S. producers and importers, along with some purchasers, also described factors other than price as sometimes or never being significant differences between U.S. product and subject imports (by country).<sup>77</sup>

I find that price is an important factor in purchasing decisions for non-stainless LDWP. Purchasers ranked price and quality meeting industry standards as the two most important factors in purchasing LDWP (most of which is non-stainless LDWP).<sup>78</sup> I note that since most LDWP is made to API or ASTM standards, it thus generally meets industry standards, making price the most meaningful factor in purchasing decisions.

I join my colleagues' opinion for their discussion of raw materials and the section 232 tariffs. As my colleagues also discuss, there are some respondent arguments that U.S. producers do not make some larger-sized or thicker-walled LDW line pipe products. These arguments do not invalidate the overall market participant responses in part II of the Commission's report, which show that most purchasers regard U.S. product and subject imports as generally interchangeable, and subject imports as generally lower-priced than U.S. product.

## **B. Volume of Cumulated Subject Imports of Non-Stainless LDWP**

Subject import volume was 918,975 short tons in 2015, and fell to 461,022 short tons in 2016 before rebounding to 839,164 short tons in 2017. Thus, subject import volume decreased \*\*\* percent over 2015-2017. In interim 2018, subject imports were 317,045 short tons, down from 402,653 in interim 2017. Over 2015-2017, subject imports fell from \*\*\* percent of the U.S. market in 2015 to \*\*\* percent in 2016, before rising to \*\*\* percent in 2017. In interim 2018, subject imports were \*\*\* percent of the market, down from \*\*\* percent in interim 2017.<sup>79</sup>

I concur with my colleagues' analysis of respondents' arguments that two large projects (Mountain Valley and Valley Crossing) accounted for much of the volume of subject imports in 2017 and interim 2018, and that these volumes were not injurious because subject imports supplied these projects for reasons unrelated to price or cost. Accordingly, I have not subtracted the volume of subject imports for these projects from the total volume of cumulated subject LDW line pipe imports as respondents have urged.

Thus, for non-stainless LDWP, I find that the volume of subject imports, which varied between roughly \*\*\* and \*\*\* of U.S. consumption, is significant, both in absolute terms and relative to U.S. consumption.

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<sup>76</sup> CR/PR at Table II-12. There were a few exceptions in which a majority of importers or purchasers ranked a particular comparison as only somewhat interchangeable. However, in every one of these instances, at least as many importers or purchasers ranked the pair as either always or frequently interchangeable.

<sup>77</sup> CR/PR at Table II-14.

<sup>78</sup> CR/PR at Tables II-7, II-8, and II-9.

<sup>79</sup> CR/PR at Table C-6.



### C. Price Effects of the Subject Non-Stainless LDWP Imports

I join my colleagues' opinion for a discussion of the statutory requirements for evaluating price effects, and for a description of the process used to collect bid data in these investigations.

Commission bid data show evidence of underselling by subject imports. Cumulated subject import quotes were lower than domestic producers' bids in 66 of 110 instances.<sup>80</sup> Subject imports won the bidding in 30 instances where there was more than one source reported.<sup>81</sup> In 23 of the 30 instances when subject imports won the bidding, the bid of the subject imports was lower than the domestic producer's bid for a LDWP project.<sup>82</sup> In 14 of the 23 instances where the bid of the subject imports was lower than a domestic producer's bid, the winning bid from the subject imports was also the lowest bid submitted.<sup>83</sup> Subject imports only won in five instances in which they were higher priced than a domestic producer's bid.<sup>84</sup>

I have also considered the lost sales data for non-stainless LDWP. Thirty-seven purchasers reported they had purchased non-stainless LDWP from subject sources instead of the domestic product. Thirty-three purchasers indicated that the non-stainless LDWP from subject sources was lower-priced. Further, 23 of the 33 purchasers indicated that the lower price of the subject imports was a primary reason for their decision to purchase subject imports. These 23 purchasers reported purchasing a total of 703,390 short tons of subject imports during January 2015-June 2018.<sup>85</sup> I note that these results are consistent with data in Part II of the staff report showing that U.S. and subject product were judged comparable by most purchasers, except on price, in which U.S. product was judged higher-priced by most purchasers for most subject countries. Additionally, I concur with my colleagues in finding that the \*\*\* short ton Valley Crossing project was lost to lower-priced subject imports.

My colleagues analyze LDW line pipe and LDW structural pipe separately, and in both cases, do not find price depression or price suppression. For non-stainless LDWP, overall consumption has fallen (as for LDW line pipe), and unit COGS fell at roughly the same rate as U.S. producers' average unit values over 2015-2017, before rising slightly less than U.S. average unit values did from interim 2017 to interim 2018.<sup>86</sup>

I have considered the significant underselling reflected in the bid data and the lost sales involving a substantial volume of non-stainless LDWP and find that the underselling led to substantial volumes of subject imports of non-stainless LDWP purchased instead of the

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<sup>80</sup> CR/PR at Table V-4. Cumulated subject imports underbid domestic producers by an average margin of 19.1 percent and overbid by an average margin of 10.3 percent. *Id.*

<sup>81</sup> CR/PR at Table V-5. Subject sources also won the bidding in 17 instances when there were no bids received from other sources. *Id.*

<sup>82</sup> CR/PR at Table V-5.

<sup>83</sup> CR/PR at Table V-5.

<sup>84</sup> CR/PR at Table V-5.

<sup>85</sup> CR/PR at Table V-9.

<sup>86</sup> CR/PR at Table C-6. While I note that there was underselling and price declines, I cannot conclude that there was significant price depression.

domestic product. As a result of this underselling, subject imports gained market share at the expense of the domestic industry.

Borusan argues that, upon closer examination, some of the lost sales confirmations were qualified by responding purchasers.<sup>87</sup> My conclusion does not depend on an exact level of lost sales confirmations. Instead, the lost sales, along with the bid and purchaser comparison data, indicate that subject imports are competing strongly with U.S. product, that price is a primary factor in such competition, and that subject imports are often lower-priced than U.S. product. In sum, a substantial portion of apparent U.S. consumption was captured by the cumulated subject imports for price-related reasons.

For the foregoing reasons, I find that cumulated subject imports of non-stainless LDWP have had significant adverse price effects on the domestic industry.

#### **D. Impact of the Subject Imports**

I refer to my colleagues' opinion for a discussion of the statutory requirements for examining the impact of subject imports on the domestic industry.

The domestic industry saw decreasing production as subject imports increased market share in a declining market. Cumulated subject imports first fell from \*\*\* percent of U.S. apparent consumption in 2015 to \*\*\* percent in 2016, before rising to \*\*\* percent in 2017, an increase of \*\*\* percentage points of market share. The domestic industry lost \*\*\* percentage points of market share over 2015-2017, as its market shares were \*\*\* in 2015, \*\*\* in 2016, and \*\*\* in 2017.<sup>88</sup>

The loss in market share over 2015-2017 was reflected in other indicia. U.S. production fell \*\*\* percent over 2015-2017, and shipments fell \*\*\* percent, as apparent consumption fell \*\*\* percent.<sup>89</sup> Capacity utilization fell \*\*\* percentage points. Thirteen U.S. producers (all but one responding U.S. producer) indicated that subject imports had had negative effects on their investment in non-stainless LDWP.<sup>90</sup> In terms of employment, the number of production workers fell \*\*\* percent, wages paid fell \*\*\* percent, and hourly wages fell \*\*\* percent. Financially, the U.S. industry's operating income fell \*\*\* percent.<sup>91</sup>

The record shows that the U.S. industry gained market share (with worsening financial performance) from 2015 to 2016, and then lost market share in 2017. As apparent consumption contracted by \*\*\* percent from 2015 to 2016, the U.S. industry gained market share as its average unit values fell \*\*\* percent. Subject imports lost market share that year, as their average unit values fell \*\*\* percent. In financial terms (gross profits, net income, etc.) the U.S. industry faced its worst year of the period.

However, in 2017, U.S. apparent consumption grew \*\*\* percent over 2016 levels. The U.S. industry's market share fell below its 2015 level, its average unit values increased \*\*\* percent over 2016 levels, and its financials generally improved over 2016, but not (except for

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<sup>87</sup> Borusan's posthearing brief, pp. 7-8.

<sup>88</sup> CR/PR at Table C-6.

<sup>89</sup> CR/PR at Table C-6.

<sup>90</sup> CR/PR at Table VI-6.

<sup>91</sup> CR/PR at Table C-6.

net income) back to 2015 levels. Over that same 2016-2017 period, subject imports' average unit values fell \*\*\* percent, and subject imports gained substantial market share.

In interim 2018, U.S. consumption fell an additional \*\*\* percent compared to interim 2017. However, subject imports' market share fell to \*\*\* percent from \*\*\* percent of U.S. consumption in interim 2017. Even though the domestic industry's unit COGS rose \*\*\* percent over the same period, gross profits and operating income rose, in part because the domestic industry's average unit values rose \*\*\* percent.<sup>92</sup> Data from the interim periods lend further support to our finding that the subject imports adversely affected the domestic industry during the POI. When subject imports were lower in interim 2018, the domestic industry's production, shipments, sales values, and revenues were all higher than they had been in interim 2017, despite lower apparent U.S. consumption in interim 2018.

As previously discussed, highly-substitutable subject imports undersold U.S. product in significant parts of the market. As the financial trends show, this underselling allowed subject imports to take market share in a declining market, leading to the domestic industry's injury, injury materially above and beyond what an overall consumption decline would lead to. Comparing 2017 to 2015, the U.S. industry's unit operating income had been \*\*\*, as it faced increased subject import competition at lower average unit values. However, when subject imports retreated somewhat in interim 2018 (after the filing of the petition), the domestic industry's financials began to show modest improvement, despite rising costs.

I join my colleagues in finding that other factors do not explain the industry's declining performance,<sup>93</sup> and in concluding that respondents' arguments that the U.S. industry does not make certain products do not explain the large volume of lost sales nor purchasers' descriptions of domestic and subject product as largely interchangeable.

## **VI. Conclusion**

For the foregoing reasons, I find that the domestic industry producing non-stainless LDWP is suffering material injury by reason of cumulated subject imports from China and India.

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<sup>92</sup> CR/PR at Table C-6.

<sup>93</sup> My colleagues do so for LDW line and LDW structural pipe separately. I agglomerate their analyses.



## PART I: INTRODUCTION

### BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by American Cast Iron Pipe Company (ACIPCO), Birmingham, Alabama; Berg Steel Pipe Corp. (Berg), Panama City, Florida; Berg Spiral Pipe Corp. (Berg), Mobile, Alabama; Dura-Bond Industries, Inc. (Dura-Bond), Export, Pennsylvania; Skyline Steel (Skyline), Newington, Virginia; and Stupp Corporation (Stupp), Baton Rouge, Louisiana on January 17, 2018, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of large diameter welded pipe (“LDWP”)<sup>1</sup> from Canada (LTFV only), China, Greece (LTFV only), India, Korea, and Turkey. The following tabulation provides information relating to the background of these investigations.<sup>2 3</sup>

<b>Effective/applicable date</b>	<b>Action</b>
<b>January 17, 2018</b>	Petitions filed with Commerce and the Commission; institution of Commission investigations (83 FR 3187, January 23, 2018)
<b>February 9, 2018</b>	Commerce’s notice of AD initiation (83 FR 7154, February 20, 2018); Commerce’s notice of CVD initiation (83 FR 7148, February 20, 2018)
<b>March 5, 2018</b>	Commission’s preliminary determinations
<b>June 29, 2018</b>	Commerce’s preliminary countervailing duty determinations on imports from China (83 FR 30695, June 29, 2018), India (83 FR 30690, June 29, 2018), Korea (83 FR 30690, June 29, 2018), and Turkey (83 FR 30697, June 29, 2018)
<b>August 27, 2018</b>	Commerce’s preliminary antidumping duty determinations on imports from Canada (83 FR 43649, August 27, 2018), China (83 FR 43644, August 27, 2018), Greece (83 FR 43640, August 27, 2018) India (83 FR 43653, August 27, 2018), Korea (83 FR 43651, August 27, 2018), and Turkey (83 FR 43646, August 27, 2018)
<b>August 27, 2018</b>	Scheduling of final phase of Commission investigations (83 FR 45279, September 6, 2018)
<b>November 6, 2018</b>	Commission’s hearing
<b>November 14, 2018</b>	Commerce’s non-postponed final determinations China: CVD and AD (83 FR 56804 and 83 FR 56816); and India: CVD and AD (83 FR 56819 and 83 FR 56811)
<b>December 6, 2018</b>	Commission’s vote

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<sup>1</sup> See the section entitled “The Subject Merchandise” in Part I of this report for a complete description of the merchandise subject in this proceeding.

<sup>2</sup> Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> A list of witnesses appearing at the hearing is presented in appendix B of this report.

Effective/applicable date	Action
January 30, 2019	Scheduled date for Commission's views
February 19, 2019	Scheduled date for Commerce's postponed final determinations (Canada: AD; Greece: AD; Korea: AD and CVD; Turkey: AD and CVD)

Note.—Due to the lapse in appropriations and ensuing cessation of Commission operations, all import injury investigations conducted under authority of Title VII of the Tariff Act of 1930 accordingly have been tolled pursuant to 19 U.S.C. §§ 1671d(b)(2), 1673d(b)(2).

## STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

### Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the “Act”) (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission-- *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--<sup>4</sup>

*In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including,*

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<sup>4</sup> Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

*but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—<sup>5</sup>

*(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.*

### **Organization of report**

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

### **Market summary**

LDWP is generally used to transport oil, gas, or natural gas liquids and for structural purposes. The leading U.S. producers of LDWP are ACIPCO, Berg, Dura-Bond, Stupp, and Welspun, while leading producers of LDWP outside the United States include Borusan of Turkey, Corinth of Greece, Evraz of Canada, EEW Korea of Korea, and Welspun of India. The leading U.S. importers of LDWP from subject countries are \*\*\* from Canada; \*\*\* from China; \*\*\* from Greece; \*\*\* from India; \*\*\* from Korea; and \*\*\* from Turkey.

Apparent U.S. consumption of LDWP totaled approximately 2.3 million short tons (\$2.2 billion) in 2017. Currently, seventeen firms are known to have produced LDWP in the United States, fifteen of which provided usable data. U.S. producers’ U.S. shipments of LDWP totaled

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<sup>5</sup> Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

1.3 million short tons (\$1.3 billion) in 2017, and accounted for 54.6 percent of apparent U.S. consumption by quantity and 59.4 percent by value. U.S. imports from subject sources totaled \*\*\* short tons \*\*\* in 2017 and accounted for \*\*\* percent of apparent U.S. consumption by quantity and \*\*\* percent by value. U.S. imports from nonsubject sources totaled \*\*\* short tons \*\*\* in 2017 and accounted for \*\*\* percent of apparent U.S. consumption by quantity and \*\*\* percent by value.

### **SUMMARY DATA AND DATA SOURCES**

A summary of data collected in these investigations is presented in appendix C.<sup>6</sup> Except as noted, U.S. industry data are based on questionnaire responses of 15 firms that accounted for the vast majority of U.S. production of LDWP during 2017. U.S. imports are based on official Commerce statistics except as noted. Thirty-five U.S. importers submitted questionnaires, representing \*\*\* U.S. imports from Canada, \*\*\* percent of U.S. imports from China; \*\*\* percent of U.S. imports from Greece; \*\*\* percent of U.S. imports from India; \*\*\* percent of imports from Korea; \*\*\* percent of U.S. imports from Turkey; and more than two-thirds of U.S. imports from nonsubject sources.

The 35 questionnaire responses represented nearly 90 percent of U.S. imports from the combined subject countries in 2017. In light of the less-than-complete coverage, U.S. imports are based on official Commerce statistics and \*\*\*. LDWP producers in the subject countries submitted twelve questionnaires accounting for \*\*\* exports to the United States from Canada, \*\*\* exports to the United States from China, \*\*\* exports to the United States from Greece, \*\*\* percent exports to the United States from India, \*\*\* percent exports to the United States from Korea, and \*\*\* percent exports to the United States from Turkey.

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<sup>6</sup> The U.S. Department of Commerce did not postpone its final antidumping duty determinations for its investigations on large diameter welded pipe from China and India. The schedule and the time available for investigation in the Commission's proceeding reflect the timing of Commerce's final antidumping duty determinations, and aligned countervailing duty determinations, with respect to large diameter welded pipe from China and India. As of the completion of this report, all other final determinations by Commerce are pending.



## PREVIOUS AND RELATED INVESTIGATIONS

### Commission proceedings

The Commission has conducted several previous import relief investigations on line pipe. Table I-1 presents information on investigations for large diameter line pipe exceeding 16 inches in diameter.

**Table I-1**  
**LDWP: Related Commission investigations, large diameter pipe**

Investigations		Dates		Outcome
Number	Product / Country	Begin	End	
731-TA-183	Large Diameter Carbon Steel Welded Pipes from Brazil	March 1984	March 1985	Commission termination of investigation following withdrawal of petition
731-TA-919	Certain Welded Large Diameter Line Pipe from Japan and Mexico	January 2001	October 2001	Japan-Commission affirmative determination <sup>1</sup>
			February 2002	Mexico-Commission affirmative determination <sup>1</sup>
TA-201-73	Certain Steel Products	June 2001	December 2001	Commission affirmative determination, relief ended effective December 4, 2003 <sup>2</sup>
731-TA-919 (Review)	Certain Welded Large Diameter Line Pipe from Japan and Mexico	November 2006	October 2007	Commission affirmative determination (Japan) and negative determination (Mexico)
731-TA-919 (Second Review)	Certain Welded Large Diameter Line Pipe from Japan	October 2012	September 2013	Commission affirmative continuation of the order
731-TA-1260-1261 (Final)	Certain Welded Line Pipe from Korea and Turkey	October 2014	November 2015	Commission affirmative determination <sup>3</sup>
731-TA-919 (Third Review)	Certain Welded Large Diameter Line Pipe from Japan	September 2018	----	Pending

<sup>1</sup> The Commission found that the domestic like product as welded carbon and alloy line pipe with an outside diameter greater than 16 inches but less than 64 inches.

<sup>2</sup> The Commission majority found that the like product was carbon and alloy (other than stainless steel) welded pipe other than OCTG. The like or directly competitive product did not include welded line pipe with an outside diameter that does not exceed 16 inches (the excluded welded line pipe 16 inches or less in diameter was covered by an existing section 201 relief request on line pipe, TA-201-70).

<sup>3</sup> The Commission found a single domestic like product consisting of certain welded line pipe, coextensive with the scope of the investigations (circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines, not more than 24" in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling).

Note.—The Commission also has conducted investigations on certain stainless steel welded pipe in size ranges that potentially overlap with the scope of the current proceeding. See, e.g., *Welded Stainless Steel Pipe and Tube from Japan, Inv. AA1921-180*, USITC Publication 899, July 1978; *Stainless Steel Pipes and Tubes from Sweden, Inv. 701-TA-281 (Final)*, USITC Publication, USITC Publication 1966, March 1987; *Stainless Steel Pipes and Tubes from Sweden, Inv. 731-TA-354 (Final)*, USITC Publication 2033, November 1987; and *Welded Stainless Steel Pipes from Korea and Taiwan, Invs. 731-TA-540-541 (Final)*, USITC Publication 2585, December 1992.

Source: Various Commission publications and Federal Register notices.

## Section 232 investigation (Commerce)

On April 19, 2017, Commerce initiated an investigation under section 232 of the Trade Expansion Act of 1962 as amended (19 U.S.C. 1862), to assess the impact of steel imports on the national security of the United States.<sup>7</sup> <sup>8</sup> Commerce submitted the results of the investigations to the President on January 11, 2018.<sup>9</sup> Commerce recommended the following:

- A global tariff of at least 24 percent on all steel imports from all countries, or
- A tariff of at least 53 percent on all steel imports from 12 countries (Brazil, China, Costa Rica, Egypt, India, Malaysia, Republic of Korea, Russia, South Africa, Thailand, Turkey and Vietnam) with a quota by product on steel imports from all other countries equal to 100 percent of their 2017 exports to the United States, or
- A quota on all steel products from all countries equal to 63 percent of each country's 2017 exports to the United States.<sup>10</sup>

On March 8, 2018, the President announced his decision to impose 25 percent ad valorem duties on all steel mill products from all U.S. trading partners, except Canada and Mexico.<sup>11</sup> <sup>12</sup> On March 22, 2018, the President authorized the suspension of tariffs on steel and aluminum imports from the following countries: Argentina, Australia, Brazil, Canada, Mexico, member countries of the European Union, and South Korea.<sup>13</sup> On April 30, 2018, the President announced the expiration of exemptions on tariffs on steel and aluminum imports from Canada, the European Union member states, and Mexico would occur on May 31, 2018.<sup>14</sup> The

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<sup>7</sup> U.S. Department of Commerce website: <https://www.commerce.gov/news/press-releases/2018/01/statement-department-commerce-submission-steel-section-232-report>, retrieved March 26, 2018.

<sup>8</sup> Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862) authorizes the Secretary of Commerce to conduct these investigations.

<sup>9</sup> U.S. Department of Commerce website: <https://www.commerce.gov/news/pressreleases/2018/01/statement-department-commerce-submission-steel-section-232-report>, retrieved March 26, 2018.

<sup>10</sup> U.S. Department of Commerce website: <https://www.commerce.gov/news/press-releases/2018/02/secretary-ross-releases-steel-and-aluminum-232-reports-coordination>, retrieved March 26, 2018.

<sup>11</sup> *Presidential Proclamation 9705 of March 8, 2018, Adjusting Imports of Steel Into the United States*, 81 FR 11625, March 15, 2018.

<sup>12</sup> For the purposes of this proclamation, "steel articles" are defined at the Harmonized Tariff Schedule (HTS) six-digit level as: 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.10 through 7306.90, including any subsequent revisions to these HTS classifications.

<sup>13</sup> *Presidential Proclamation 9711 of March 22, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 13361, March 28, 2018.

<sup>14</sup> *Presidential Proclamation 9740 of April 30, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 20683, May 7, 2018.

President also announced the exemptions were extended permanently for South Korea in return for agreeing to product-specific quotas beginning on January 1, 2019.<sup>15</sup> Exemptions for Argentina, Australia, and Brazil were also extended until alternative means could be finalized.<sup>16</sup>

On May 31, 2018, under a Presidential Proclamation issued under Section 232 of the Trade Expansion Act of 1962, the President announced tariffs will no longer be suspended for steel and aluminum imports from Mexico, Canada, and the European Union, effective July 1, 2018. Steel products from these countries will be subject to a 25 percent ad valorem duty.<sup>17</sup>

A subsequent Presidential proclamation established absolute quotas for Argentina, Brazil, and Korea as an alternate to the 25 percent ad valorem duty for imports of steel mill articles, effective June 1, 2018 (leaving Australia as the only country exempt from both the tariff and quota).<sup>18</sup> <sup>19</sup> On August 10, 2018, the President authorized adjusting the ad valorem tariff on steel imports from Turkey from 25 percent to 50 percent.<sup>20</sup>

In the President's proclamation establishing the tariff under Section 232, the Secretary of Commerce was authorized to provide relief from the 25 percent ad valorem duties for any steel articles determined "not to be produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality and is also authorized to provide such relief based upon specific national security considerations. Such relief shall be provided for any article only after a request for exclusion is made by a directly affected party located in the United States."<sup>21</sup> Approved exclusions are made on a product basis and are limited to the individual or organization that submitted the specific exclusion request, unless Commerce approves a broader application of the product based exclusion request to apply to additional importers.<sup>22</sup>

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<sup>15</sup> *Presidential Proclamation 9740 of April 30, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 20683, May 7, 2018.

<sup>16</sup> *Presidential Proclamation 9740 of April 30, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 20683, May 7, 2018.

<sup>17</sup> *Presidential Proclamation 9759 of May 31, 2018, Adjusting Imports of Steel into the United States*, 83 FR 25857, June 5, 2018.

<sup>18</sup> U.S. Customs and Border Protection, "QB 18-126 Absolute Quotas for Steel Mill Articles: Argentina, Brazil and South Korea," <https://www.cbp.gov/trade/quota/bulletins/qb-18-126-absolute-quota-aluminum-products-argentina-brazil-south-korea>, retrieved September 20, 2018.

<sup>19</sup> U.S. Customs and Border Protection, "Section 232 Tariffs on Aluminum and Steel," <https://www.cbp.gov/trade/programs-administration/entry-summary/232-tariffs-aluminum-and-steel>, retrieved September 20, 2018.

<sup>20</sup> *Presidential Proclamation 9772 of August 10, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 40429, August 15, 2018.

<sup>21</sup> U.S. Department of Commerce, Bureau of Industry and Security, "Section 232 National Security Investigation of Steel Imports Information on the Exclusion and Objection Process," <https://www.bis.doc.gov/index.php/232-steel>, retrieved September 27, 2018.

<sup>22</sup> *Requirements for Submissions Requesting Exclusions from the Remedies Instituted in Presidential Proclamations Adjusting Imports of Steel into the United States and Adjusting Imports of Aluminum into the United States; and the Filing Objections to Submitted Exclusion request for Steel and Aluminum*, 83 FR 12106, March 19, 2018.

On June 20, 2018, Commerce announced its first set of product exclusions granted from Section 232 tariffs on steel imports. Forty-two exclusion requests were granted, covering seven companies importing steel products from Japan, Sweden, Belgium, Germany, and China. The seven companies receiving the exclusions are: Schick Manufacturing, Inc. of Shelton, Connecticut; Nachi America Inc. of Greenwood, Indiana; Hankev International of Buena Park, California; Zapp Precision Wire of Summerville, South Carolina; U.S. Leakless, Inc. of Athens, Alabama; Woodings Industrial Corporation of Mars, Pennsylvania; and PolyVision Corporation of Atlanta, Georgia.<sup>23</sup> The exempted products were not specified.

**Table I-2**  
**LDWP: Section 232 tariffs summary**

Country	Effective date	Ad valorem duty rate	Absolute quotas
Argentina	May 31, 2018	Exempt	2.4 metric tons
Australia	May 31, 2018	Exempt	Exempt
Brazil	May 31, 2018	Exempt	683 metric tons
Canada	May 31, 2018	25%	N/A
European Union	May 31, 2018	25%	N/A
Mexico	May 31, 2018	25%	N/A
Korea	April 30, 2018	Exempt	185,000 metric tons
Turkey	August 13, 2018	50%	N/A
All other countries	March 8, 2018	25%	N/A

Source: U.S. Customs and Border Patrol website: <https://www.cbp.gov/trade/programs-administration/entry-summary/232-tariffs-aluminum-and-steel>, updated on November 29, 2018.

## NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

### Subsidies

On June 29, 2018, Commerce published notice in the *Federal Register* of its preliminary determinations of countervailable subsidies for producers and exporters of product from Korea, and Turkey.<sup>24</sup> On November 14, 2018, Commerce published notice in the *Federal Register* of its

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<sup>23</sup> U.S. Department of Commerce, “Department of Commerce Grants First Product Exclusion Requests from Section 232 Tariffs on Steel Imports,” <https://www.commerce.gov/news/press-releases/2018/06/department-commerce-grants-first-product-exclusion-requests-section-232>, retrieved September 17, 2018.

<sup>24</sup> *Large Diameter Welded Pipe from Korea: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 83 FR 30693, June 29, 2018. *Large Diameter Welded Pipe from Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 83 FR 30697, June 29, 2018.

determinations of countervailable subsidies for producers and exporters of product from China and India.<sup>25</sup>

Commerce determined the following programs in China to be countervailable:<sup>26</sup>

1. Government Provision of Goods and Services for Less Than Adequate Remuneration (LTAR)
2. Provision of Land for LTAR
3. Preferential Loans and Interest Rates
4. Grant Programs
5. Tax Benefit Programs
6. Support for Foreign-Invested Enterprises (FIEs)
7. Export Credit Subsidies

Commerce determined the following programs in India to be countervailable:<sup>27</sup>

1. Advance Authorization Program (AAP)/Advanced License Program (ALP)
2. Duty Drawback Program (DDP)
3. Merchandise Export from India Scheme (MEIS)
4. Status Certificate Program (SCP)
5. Export Promotion of Capital Goods Scheme (EPCG)
6. Pre-Shipment and Post-Shipment Export Financing

Commerce preliminarily determined the following programs in the Republic of Korea to be countervailable:<sup>28</sup>

1. Demand Response Resources Program
2. Korean Export-Import Bank Subsidy Programs
3. Acquisition and Property Tax Benefits to Companies Located in Industrial Complexes
4. Modal Shift Program
5. Tax Programs under the Restriction of Special Taxation Act (RSTA)
  - a. RSTA Article 25
  - b. RSTA Article 26

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<sup>25</sup> *Large Diameter Welded Pipe from China: Final Affirmative Determination*, 83 FR 56804, November 14, 2018. *Large Diameter Welded Pipe from India: Final Affirmative Determination*, 83 FR 56819, November 14, 2018.

<sup>26</sup> DOC, ITA, *Decision Memorandum from the Preliminary Determination in the Countervailing Duty Investigation of Large Diameter Welded Pipe from the Republic of China*, June 19, 2018. Absent Chinese respondents no memoranda regarding the final determination has been issued.

<sup>27</sup> DOC, ITA, *Decision Memorandum from the Final Determination in the Countervailing Duty Investigation of Large Diameter Welded Pipe from India*, November 5, 2018.

<sup>28</sup> DOC, ITA, *Decision Memorandum from the Preliminary Determination in the Countervailing Duty Investigation of Large Diameter Welded Pipe from the Republic of Korea*, June 19, 2018.

Commerce preliminarily determined the following programs in Turkey to be countervailable:<sup>29</sup>

1. Provision of Hot-Rolled Steel (HRS) for Less than Adequate Remuneration (LTAR)
2. Provision of Cut-to-Length Plate (CTL Plate) for LTAR
3. Deductions from Taxable Income for Export Revenue
4. Export Financing: Rediscount Program
5. Investment Encouragement Program (IEP): Customs Duty and VAT Exemptions
6. Property Tax Law 1319: Exemption from Property Tax
7. Inward Processing Certificate Exemption Program
8. Free Zones Law 3218: Corporate Income Tax Exemptions
9. Free Zones Law 3218: Exemption from Income Tax on Wages Paid to Workers

Table I-3 presents Commerce's findings of subsidization of LDWP in China, India, Korea, and Turkey.

**Table I-3**  
**LDWP: Commerce's subsidy determinations with respect to imports from China, India, Korea, and Turkey**

Entity	Preliminary countervailable subsidy margin (percent)	Final countervailable subsidy margin (percent)
<b>China</b>		
Hefei Zijin Steel Tube Manufacturing Co	198.4	198.49
Hefei Ziking Steel Pipe	198.4	198.49
Panyu Chu Kong Steel Pipe Co. Ltd.	198.4	198.49
All others	198.4	198.49
<b>India</b>		
Bhushan Steel	541.15	541.15
Welspun Trading Limited	541.15	541.15
All others	541.15	541.15
<b>Korea</b>		
Husteel Co., Ltd	(de minimis) 0.01	Pending
Hyundai Steel Company	(de minimis) 0.44	Pending
SeAH Steel Corporation	3.31	Pending
All others	3.31	Pending
<b>Turkey</b>		
HDM Celik Boru Sanayi ve Ticaret A.S.	3.76	Pending
Borusan Mannesmann BoruSanayi ve Ticaret A.S.	1.08	Pending
All others	1.89	Pending

Source: 83 FR 30695, 83 FR 30690, 83 FR 30693, 83 FR 30697 June 29, 2018; 83 FR 56805 and 83 FR 56820, November 14, 2018.

<sup>29</sup> DOC, ITA, *Decision Memorandum from the Preliminary Determination in the Countervailing Duty Investigation of Large Diameter Welded Pipe from Turkey*, June 19, 2018.

## Sales at LTFV

On June 29, 2018, Commerce published notice in the *Federal Register* of its preliminary determinations of sales at LTFV with respect to imports from Canada, China, Greece, India, Korea, and Turkey.<sup>30</sup> On November 14, 2018, Commerce published notice in the *Federal Register* of its determinations of sales at LTFV with respect to imports from China and India.<sup>31</sup> Tables I-4 present Commerce's dumping margins with respect to imports of product from Canada, China, Greece, India, Korea, and Turkey.

**Table I-4**

**LDWP: Commerce's weighted-average LTFV margins with respect to imports from Canada, China, Greece, India, Korea, and Turkey**

Entity	Preliminary dumping margin (percent)	Final dumping margin (percent)
<b>Canada</b>		
Evraz Inc. NA	24.38	Pending
All-Others	24.38	Pending
<b>China</b>		
China-wide Entity	132.63	132.63
<b>Greece</b>		
Corinth Pipeworks Pipe Industry S.A	7.45	Pending
All-Others	7.45	Pending
<b>India</b>		
Bhushan Steel	50.55	16.85
Welspun Trading Limited	50.55	16.85
All-Others	50.55	16.85
<b>Korea</b>		
Hyundai RB Co., Ltd	14.97	Pending
SeAH Steel Corporation	22.21	Pending
Samkang M&T Co., Ltd	21.21	Pending
All-Others	20.13	Pending

Table continued on the next page.

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<sup>30</sup> *Large Diameter Welded Pipe From Canada, Korea, and Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 83 FR 43649, 83 FR 43641, 83 FR 43652, and 83 FR 43646, June 29, 2018. *Large Diameter Welded Pipe From Greece: Amended Preliminary Determination of Sales at Less than Fair Value*; 83 FR 48795, September 27, 2018.

<sup>31</sup> *Large Diameter Welded Pipe From China and India: Final Determination of Sales at Less than Fair Value*; 2017, 83 FR 56819 and 83 FR 56811, November 14, 2018.

**Table I-4--Continued**

**LDWP: Commerce’s weighted-average LTFV margins with respect to imports from Canada, China, Greece, India, Korea, and Turkey**

<b>Entity</b>	<b>Preliminary dumping margin (percent)</b>	<b>Final dumping margin (percent)</b>
<b>Turkey</b>		
Borusan Mannesmann Boru Sanayi ve Ticaret A.S	5.29	Pending
HDM Celik Boru Sanayi ve Ticaret A.S	3.45	Pending
All-Others	4.83	Pending

Source: 83 FR 43649, 83 FR 43644, 83 FR 43641, 83 FR 43655, 83 FR 43652, 83 FR 43646, June 29, 2018; 83 FR 56819 and 83 FR 56811, November 14, 2018.

## **THE SUBJECT MERCHANDISE**

### **Commerce’s scope <sup>32</sup>**

In the current proceeding, Commerce has defined the scope as follows:

Large diameter welded pipe (LDWP) covered by these investigations is welded carbon and alloy steel pipe (including stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

LDWP used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is

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<sup>32</sup> Commerce’s scope differs from the petition as filed, which covered “welded carbon and alloy steel pipe.” The petition stated that “The scope of these investigations is similar to that of the investigations of certain welded line pipe from Korea and Turkey conducted by the Department and the Commission in 2015, except that it includes line pipe with a diameter of greater than 24 inches, as well as large diameter welded pipe for structural uses.” Petition, pp. 7-8. The earlier scope excluded stainless steel pipe (as discussed above in table I-1). Commerce’s scope in the current investigations now indicates that it covers “welded carbon and alloy steel pipe (including stainless steel pipe).”



covered by the scope of this investigation, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope large diameter welded pipe.

Excluded from the countervailing duty investigation against Turkey are any products covered by the existing countervailing duty order on welded line pipe from the Republic of Turkey. See *Welded Line Pipe from the Republic of Turkey: Countervailing Duty Order*, 80 FR 75054 (December 1, 2015). Excluded from the antidumping duty investigations against Korea and Turkey are any products covered by the existing antidumping duty orders on welded line pipe from Korea and Turkey, respectively. See *Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 FR 75056 (December 1, 2015). Also excluded from the antidumping duty investigation against Korea are any products covered by the existing antidumping order on welded ASTM A-312 stainless steel pipe from Korea. See *Welded ASTM A-312 Stainless Steel Pipe from South Korea: Antidumping Duty Order*, 57 FR 62300 (December 30, 1992).<sup>33</sup>

### **Tariff treatment**

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations are currently imported under the following provisions of the Harmonized Tariff Schedule of the United States (“HTS”):

#### **Line pipe of a kind used for oil or gas pipelines**

Nonalloy: 7305.11.1030, 7305.11.1060, 7305.12.1030, 7305.12.1060, 7305.19.1030, and 7305.19.1060.

Alloy: 7305.11.5000, 7305.12.5000, and 7305.19.5000.

#### **Other, welded (structural pipe)**

Nonalloy: 7305.31.4000, and 7305.39.1000.

Alloy other than stainless: 7305.31.6090, and 7305.39.5000.

Stainless: 7305.31.6010.

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<sup>33</sup> *Large Diameter Welded Pipe from China and India: Final Determination of Sales at Less than Fair Value*; 2017, 83 FR 56819 and 83 FR 56811, November 14, 2018. *Large Diameter Welded Pipe from Canada, Greece, the Republic of Korea, and the Republic of Turkey: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 83 FR 27953, June 15, 2018.

The 2018 general rate of duty is “Free” for HTS subheadings 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, 7305.19.50, 7305.31.40, 7305.31.60, 7305.39.10, and 7305.39.50.<sup>34</sup> Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

### **Sections 232 and 301 tariff treatment**

HTS subheadings 7305.11, 7305.12, 7305.19, 7305, and 7305.39 were included in the enumeration of iron and steel articles subject to the additional 25-percent ad valorem national-security duties under Section 232 of the *Trade Expansion Act of 1962*, as amended.<sup>35</sup>

All products classified in HTS heading 7305 were included in the enumeration of iron and steel articles subject to the additional 25-percent ad valorem national security duties under Section 232 of the *Trade Expansion Act of 1962*, as amended. Products of China classified in HTS heading 7305 were not subjected to additional duties under Section 301 of the *Trade Act of 1974*.<sup>36</sup> See U.S. notes 20(e) and 20(f), subchapter III of chapter 99 which discusses articles and products from China.<sup>37</sup>

## **THE PRODUCT**

### **Description and applications**

Welded pipe<sup>38</sup> is classified as a long-rolled steel pipe product that can be produced in sizes from 1/8 inch to over 80 inches in outside diameter (O.D.). Structural pipe and tubing is used as structural support or for load-bearing purposes. Structural pipe may be used in: piling, structural supports, sign poles, bollards, columns, and fencing. Line pipe is used for the gathering, transmission, and distribution of oil and gas, generally in a pipeline or utility distribution system (figure I-1). Line pipe can be produced with plain ends, threaded, beveled,

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<sup>34</sup> *HTSUS (2018) Revision 13*, USITC Publication No. 4832, October 2018, ch. 73, p. 14.

<sup>35</sup> *Adjusting Imports of Steel Into the United States, Presidential Proclamation 9705*, March 8, 2018, 83 FR 11625, March 15, 2018.

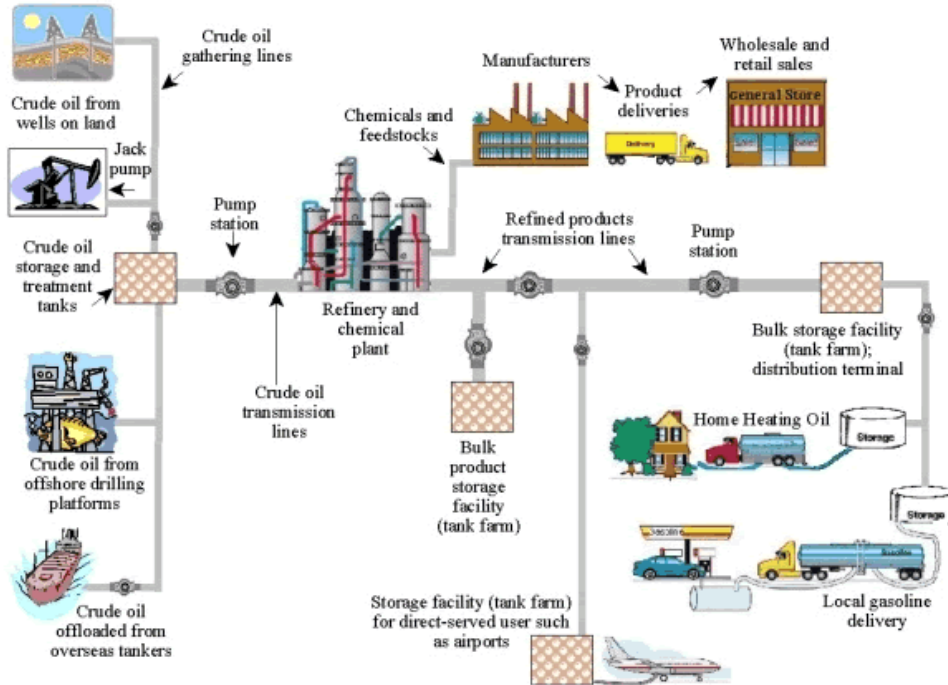
<sup>36</sup> *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018.

<sup>37</sup> *HTSUS (2018) Revision 13*, USITC Publication No. 4832, October 2018, pp. 99-III-21 - 99-III-22.

<sup>38</sup> The terms “pipes” and “tubes” are interchangeable in common usage and are not separately provided for in the HTS. However, tubular product manufacturers typically categorize “pipes” as having a circular cross-section in a few standard sizes, whereas “tubes” may have any cross-sectional shape (circular, square, rectangular or others). Steel pipes can be manufactured in either a welded or seamless process. Steel pipes can be further subdivided according to the grades of steel (carbon, alloy and stainless). Moreover, the American Iron and Steel Institute (AISI) further categorizes steel pipes and tubes by six-end uses: line pipe, standard pipe, structural pipe and tubing, mechanical tubing, pressure tubing and oil country tubular goods. Seamless pipe is outside the scope of these investigations.

grooved, flanged or expanded, depending on the requirements.<sup>39</sup> Figure I-2 is a visual depiction of welded line pipe.

**Figure I-1**  
**Example of an oil and natural gas pipeline system**



Source: U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, <http://primis.phmsa.dot.gov>, accessed January 24, 2018.

<sup>39</sup> Mohinder L. Nayyar, *Piping Handbook*, Seventh Edition, 2000, pp. C-238-230.

**Figure I-2:**  
**Certain welded line pipe: Welded API line pipe**



Source: <http://www.apisteel.com/api-5l-x42-steel-line-pipe-813/>, accessed February 1, 2018.

The line pipe subject to these investigations is a welded circular pipe product, having an O.D. more than 16 inches (406.4 millimeters), regardless of wall thickness, length, surface finish, or end finish.<sup>40</sup> Line pipe can be produced from carbon or alloy steel. Carbon steel 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.<sup>41</sup> There is no confirmed production of stainless steel LDW line pipe in the United States.

Line pipe is generally produced in the United States in lengths of 40 feet or greater, and with either a bare finish or a black (lacquered) finish to protect the pipe from rusting, which is especially important for storage in humid climates or for waterborne transportation. End finishes typically include square cut or beveled for welding in the field.<sup>42</sup>

The subject product includes welded line pipe used in oil and gas pipelines for the gathering, transmission, and distribution of oil and gas. Gathering<sup>43</sup> is an upstream application

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<sup>40</sup> Although the scope of these investigations does not take into account wall thickness, API 5L specifications have thickness requirements.

<sup>41</sup> 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. *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, p. I-15.

<sup>42</sup> ASTM International, "A53/A53M-12: Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated, Welded, and Seamless," *Annual Book of ASTM Standards*, Section One, Iron and Steel Products, Volume 01.01, 2017, pp. 6-7.

<sup>43</sup> Gathering applications for natural gas consist of individual gas wells connected to field gas treatment facilities and processing facilities, or to branches of a larger gathering system. Natural gas is processed at the treatment facility to remove impurities before entering the transmission pipeline. Gathering applications for oil include pumping crude oil from the ground where it travels through a pipeline to tank batteries, where the oil, gas, and water are separated. After the crude oil is separated, it is kept in storage tanks until moved into the transmission pipelines. The Interstate Natural Gas

(continued...)

in which welded line pipe is used to move the natural gas out of the fields and into the processing plant, or to gather crude oil for further processing in oil refineries.<sup>44</sup> Smaller O.D. line pipe ranging from 2 to 8 inches<sup>45</sup> traditionally has been used in standard gathering applications for the oil and gas industries;<sup>46</sup> however O.D. sizes of line pipe for gathering applications have been increasing in recent years due to extensive shale gas development.<sup>47</sup> More specifically, welded line pipe in diameter sizes up to 24 inches<sup>48</sup> has become more common in gathering applications for pad drilling<sup>49</sup> in shale gas regions.<sup>50</sup>

Transmission<sup>51</sup> of oil and gas is a midstream application in which welded line pipe is used to move oil and gas to any type of collection or distribution point.<sup>52</sup> Line pipe used in

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(...continued)

Association of America, "America's Natural Gas Pipeline Network: Delivering Clean Energy for the Future," 2009, pp. 106-107.

<sup>44</sup> Havard Devold, "Oil and gas production handbook: An introduction to oil and gas production, transport, refining and petrochemical industry," 2013, p. 59.

<sup>45</sup> Before the increased drilling activity in shale gas regions, line pipe used for gathering applications in the natural gas industry was generally smaller in diameter than those used in the oil industry. Association of Oil Pipelines, Pipelines 101, *How Do Pipelines Work?*, <http://www.pipeline101.com/how-do-pipelines-work>, retrieved on February 1, 2018.

<sup>46</sup> In the past, line gathering pipelines were built in minimally populated areas and used smaller-diameter line pipe that operated at lower pressures. U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, *Gathering Pipelines: Frequently Asked Questions*, <https://www.phmsa.dot.gov/faqs/gathering-pipelines-faqs>, retrieved on February 1, 2018.

<sup>47</sup> Paul W. Parfomak, "Shale Gas Gathering Pipelines: Safety Issues," August 1, 2014, <http://fas.org/sgp/crs/misc/IN10123.pdf>, retrieved on February 1, 2018.

<sup>48</sup> \*\*\*.

<sup>49</sup> Pad drilling is the practice of drilling multiple entry points into oil wells from a single surface location, as opposed to drilling a single well. U.S. Energy Information Administration, "Pad Drilling and Rig Mobility Lead to More Efficient Drilling," September 11, 2012, <http://www.eia.gov/todayinenergy/detail.cfm?id=7910>, retrieved on February 1, 2018.

<sup>50</sup> Line pipe used in the various shale plays like Marcellus, Utica, Barnett, and Bakken is generally of much larger diameter than traditional gas gathering pipelines. U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, *Gathering Pipelines: Frequently Asked Questions*, <https://www.phmsa.dot.gov/faqs/gathering-pipelines-faqs>, retrieved on February 1, 2018.

<sup>51</sup> Transmission lines are also known as "trunk lines." Transmission of natural gas occurs from the principal supply areas to distribution centers, large volume customers or other transmission lines. The transmission pipelines for the oil consists of two types of transmission lines: 1) crude oil transmission lines, which travel long-distance from crude oil storage and treatment tanks to oil refineries, and 2) refined products transmission lines, which refined oil to a distribution center after impurities are removed in the oil refineries. The Interstate Natural Gas Association of America, *America's Natural Gas Pipeline Network: Delivering Clean Energy for the Future*, 2009, p. 128; American Petroleum Institute, *Standards*, <http://www.api.org/products-and-services/standards>, retrieved on February 8, 2018; and U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, *Petroleum Pipeline Systems*, <https://primis.phmsa.dot.gov/comm/PetroleumPipelineSystems.htm>, retrieved on January 24, 2018.

<sup>52</sup> *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, p. I-16; and U.S. Steel Tubular Products' website,

(continued...)

transmission applications has larger O.D. sizes than that used in gathering applications because refined oil or natural gas often has to move over long distances and even across national or international boundaries to reach distribution channels. Line pipe diameter sizes used in the transmission of oil and gas can vary greatly, although line pipe used in standard transmission applications for natural gas is traditionally larger (O.D. between 30 and 36 inches) than those used for oil (O.D. between 8 and 24 inches).<sup>53</sup>

Distributing<sup>54</sup> oil and gas is a downstream application in which welded line pipe is used to move the oil and gas from the transmission pipeline to the end-use customer. Line pipe used for distributing oil and gas to end users is generally smaller diameter sizes than those used in transmission applications,<sup>55</sup> with O.D. ranging between 0.5 to 6 inches.<sup>56</sup>

Subject line pipe is normally produced in conformance with the American Petroleum Institute's ("API") 5L specifications, which provides standards for "pipe suitable for use in conveying gas, water, and oil in both the oil and gas industries."<sup>57</sup> The subject product generally bears an API line pipe stencil.<sup>58</sup> The API 5L specification for line pipe indicates the marking and class (e.g. A-25, A, B, and X-42 through X-80), process of manufacture, product specification levels (PSL 1 and PSL 2), heat treatment, and test pressure. The API 5L grades define the yield (tensile) strength level of the pipe and of the steel used to make the pipe.

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*Standard and Line Steel Pipe*, <http://usstubular.com/standard-and-line-steel-pipe>, retrieved on February 1, 2018.

<sup>53</sup> The Trans-Alaska Pipeline System is unique because it uses 48-inch diameter line pipe, which is the largest diameter line pipe used in the United States for transmission of oil. U.S. Department of Energy, Argonne National Laboratory, *Natural Gas Pipeline Technology Overview*, [http://corridoreis.anl.gov/documents/docs/technical/apt\\_61034\\_evs\\_tm\\_08\\_5.pdf](http://corridoreis.anl.gov/documents/docs/technical/apt_61034_evs_tm_08_5.pdf), retrieved on February 2, 2018; U.S. Department of Energy, Argonne National Laboratory, *Overview of the Design, Construction and Operation of Interstate Liquid Petroleum Pipelines*, [http://corridoreis.anl.gov/documents/docs/technical/apt\\_60928\\_evs\\_tm\\_08\\_1.pdf](http://corridoreis.anl.gov/documents/docs/technical/apt_60928_evs_tm_08_1.pdf), retrieved on February 2, 2018.

<sup>54</sup> Distribution of natural gas occurs through a valve and metering station, where natural gas is delivered to local distribution companies through small-diameter line pipe (also known as main and service lines) with lower pressure than transmission lines. Natural Gas, *The Transportation of Natural Gas*, <http://naturalgas.org/naturalgas/transport/>, retrieved on February 8, 2018.

<sup>55</sup> U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, *The State of the National Pipeline Infrastructure*, <https://www.hsd.org/?abstract&did=804318>, retrieved on February 2, 2018.

<sup>56</sup> Natural Gas, *The Transportation of Natural Gas*, <http://naturalgas.org/naturalgas/transport/>, retrieved on February 8, 2018.

<sup>57</sup> The API 5L specification covers both seamless and welded steel line pipe. Although seamless pipe is covered by the API 5L specification, it is outside the scope of these investigations. American Petroleum Institute, *API Specification 5L*, 45<sup>th</sup> Edition, December 2012.

<sup>58</sup> A "stencil" is information marked by the manufacturer with paint stenciled on the outside of the pipe indicating the specification in conformance with which it has been manufactured. However, the purchaser and manufacturer can agree to put all or part of the markings on the inside of the pipe. Pipe O.D. 1-1/2 inches and smaller has identification markings die-stamped on a metal tag fixed to the bundle or printed on the straps or binding clips used to tie the bundle.

The API 5L specification also suggests that “products in compliance with multiple compatible standards may be marked with the name of each standard.” Thus, line pipe can bear multiple stencils, signifying compliance with one or more certifications (such as grade B/ X-42), as well as standard pipe, piling,<sup>59</sup> or structural<sup>60</sup> pipe certifications.

Structural pipe is generally used for structural or load-bearing purposes above ground by the construction industry, as well as for structural members in ships, trailers, farm equipment, or other similar uses. It is produced in nominal wall thicknesses and sizes to American Society for Testing and Materials (“ASTM”) specifications, such as A53, A252, or A500. ASTM A53 consists of welded or seamless pipe designed for use in mechanical and pressure applications, but may be suitable for welding and forming operations, such as: coiling, bending, and flanging.<sup>61</sup> ASTM A252 is a specification for welded or seamless pipe for use as pipe piles used for load-bearing purposes or as a shell to form cast-in-place concrete piles.<sup>62</sup> ASTM A500 is a specification for cold-formed welded or seamless carbon steel structural tubing utilized in the construction of bridges, buildings, or other structures.<sup>63</sup>

### **Additional information on stainless steel LDWP**

As discussed above, there is no known U.S. production of stainless steel LDWP line pipe. There is, however, limited production of stainless steel LDWP structural pipe. Stainless steels are alloy steels that contain, by weight 1.2 percent or less of carbon and 10.5 percent or more of chromium with or without other elements.<sup>64</sup> There are more than fifty stainless steels alloys; however, the most commonly used alloying elements are nickel, molybdenum, nitrogen, sulfur, manganese, aluminum, copper, columbium, silicon, titanium, calcium, and selenium. Stainless steels can be annealed and or descaled. The input materials for producing stainless LDWP are stainless steel coil and plate. Due to its corrosion resistance, mechanical and physical properties, and ease of fabrication, stainless steel LDWP tends to be used principally in structural applications.

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<sup>59</sup> ASTM A-252, Grade 3 covers welded and seamless steel pipe for piling application or permanent load carrying member with minimum yield strength of 45,000 psi. *Annual Book of ASTM Standards*, Section One, Iron and Steel Products, Volume 01.01, 2017, pp. 153-159.

<sup>60</sup> ASTM A-500, Grade C covers cold-formed welded and seamless carbon round, square, rectangular, or special shape structural tubing for general structural with a minimum yield strength of 50,000 psi. *Annual Book of ASTM Standards*, Section One, Iron and Steel Products, Volume 01.01, 2017, pp. 373-377.

<sup>61</sup> ASTM International, “A53/A53M-12: Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated, Welded, and Seamless,” *Annual Book of ASTM Standards*, Section One, Iron and Steel Products, Volume 01.01, 2017, pp. 1-23.

<sup>62</sup> ASTM International, “A252-10: Standard Specification for Welded and Seamless Steel Pipe Piles,” *Annual Book of ASTM Standards*, Section One, Iron and Steel Products, Volume 01.01, 2017, pp. 153-159.

<sup>63</sup> ASTM International, “A500/A500M-13: Standard Specification for Cold-Formed Welded and Seamless Carbon Steel Structural Tubing in Rounds and Shapes,” *Annual Book of ASTM Standards*, Section One, Iron and Steel Products, Volume 01.01, 2017, pp. 373-377.

<sup>64</sup> The Harmonized Tariff Schedule of the United States (2018) Revision 12 Chapter 73 p.73-14.

In terms of metallurgical structure, stainless steels can be divided into five major classes: martensitic, ferritic, austenitic, precipitation hardened, and duplex. LDWP are commonly produced using austenitic and duplex stainless steels because they exhibit very good weldability compared to the other classes of stainless steels.<sup>65</sup>

The austenitic stainless steels exhibit excellent strength properties at high or cryogenic temperatures. Austenitic stainless steels have moderate strength in the annealed condition and can be further strengthened by cold work, but not by heat treatment. The austenitic stainless steels are the most weldable of the high-alloy steels and can be welded through electric resistance welding processes. The austenitic stainless steels have lower coefficients of thermal conductivity, which makes them susceptible to heat concentrated in small zones adjacent to the weld. Austenitic stainless steels require more attention in controlling portage and distortion due to their significantly greater thermal expansion when compared to milder steels. Therefore, it is imperative to select the appropriate alloy and welding procedure for the desired output. The preservation of corrosion resistance and the prevention of cracking should be considered when creating weld joints.<sup>66</sup>

The duplex stainless steels have an equally proportioned metallurgical structure consisting of ferritic and austenitic. Duplex stainless steels have a high resistance to stress corrosion, but are susceptible to cracking due to the ferritic-austenitic crystal structure. However, the duplex stainless steels do exhibit very good weldability.<sup>67</sup>

### **Manufacturing processes**

Welded pipe is most commonly manufactured by either the electric resistance weld (“ERW”) process or the submerged arc welding process (“SAW”). SAW encompasses both helical (spiral) welding (“HSAW”) and longitudinal welding (“LSAW”). The API 5L specification permits both ERW and SAW processes in all grades and classes of line pipe.<sup>68</sup> The ERW manufacturing process is the least expensive production method, and the LSAW manufacturing process is the most expensive manufacturing method for producing welded pipe.<sup>69</sup> Line pipe produced by LSAW is used for transporting oil and gas, either onshore or offshore, while ERW- and HSAW-produced line pipe is used for transporting oil and gas onshore. The ERW method cannot produce welded line pipe with a very heavy wall thickness, and therefore is not favored for offshore or deep-water applications where a heavier internal pressure is needed to move crude oil or gas through the pipeline.<sup>70</sup>

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<sup>66</sup> American Iron and Steel Institute, *Welding of Stainless Steels and other Joining Methods*, A Designer Handbook Series N 9 002, p. 4.

<sup>67</sup> Southern African Stainless Steel Development Association, Information Series, *Classification, Typical Properties and Applications* <https://sassda.co.za/classification-typical-properties-and-applications/> (access various dates).

<sup>68</sup> American Petroleum Institute, *API Specification 5L*, 45<sup>th</sup> Edition, December 2012.

<sup>69</sup> *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, pp. I-19-24.

<sup>70</sup> Conference transcript, p. 160 (Papavasileiou).



Welded-pipe manufactured using the HSAW and ERW methods is produced from steel sheet in coils in a continuous forming process.<sup>71</sup> By contrast, LSAW pipe requires piece-by-piece production from thicker steel plates, and is used in more demanding applications.<sup>72</sup> Unlike the ERW and LSAW methods, the HSAW process offers the advantage of producing pipe with diameters larger than the width of the coiled steel input because of its helical wrap during the forming process of the cylindrical hollow body. The ERW process is limited by the width of the available steel coils and suitable for thinner-walled and small-diameter pipes, and is used to produce pipe with a maximum O.D. of 24 inches, maximum length of 80 feet, and a maximum pipe wall thickness of 0.75 inches. The LSAW method of production can produce line pipe with a maximum O.D. of 120 inches, and maximum length of 40 feet, and a maximum pipe wall thickness of 1.5 inches.<sup>73</sup> Virtually all subject pipe of O.D. 24 inches or less is manufactured using the ERW or HSAW method in the United States.<sup>74</sup> Pipe of O.D. 24 inches or less can be manufactured by the LSAW method, but it tends to be cost-prohibitive.<sup>75</sup> A summary of the differences among ERW, LSAW, and HSAW pipe produced in the United States is presented in the following table.<sup>76</sup>

**Table I-5**  
**Large diameter welded pipe: Production differences by manufacturing process**

<b>Manufacturing method</b>	<b>Maximum outside diameter (inches)</b>	<b>Maximum length (feet)</b>	<b>Production method cost ruling</b>	<b>Maximum pipe wall thickness (inches)</b>
Electric Resistance Weld	24- domestic 26 - foreign	80	Least expensive	0.63
Longitudinal Submerged Arc Welding	120	40	Most expensive	1.25
Helical (Spiral) Submerged Arc Welding	157	80		1.03

Source: *Certain Welded Large Diameter Line Pipe from Japan, Investigation No. 731-TA-919 (Second Review)*, USITC Publication 4427, September 2013, p. I-18; Petitioner’s postconference brief, exhibit 17; and Conference transcript, p. 160 (Papavasileiou).

<sup>71</sup> A continuous forming process is completed in one step versus the multi-step, piece-by-piece production of LSAW.

<sup>72</sup> Seamless line pipe is primarily used for high pressure applications, including offshore use. TMK IPSCO website, *Line Pipe*, [https://tmk-ipsco.tmk-group.com/tmk\\_ipsco\\_line\\_pipe](https://tmk-ipsco.tmk-group.com/tmk_ipsco_line_pipe), Accessed January 30, 2018.

<sup>73</sup> Mohinder L. Nayyar, “Piping Handbook,” Seventh Edition, 2000, p. C-218.

<sup>74</sup> *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, pp. I-19-24.

<sup>75</sup> *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, pp. I-19-24.

<sup>76</sup> Petitioners’ postconference brief, exhibit 17.

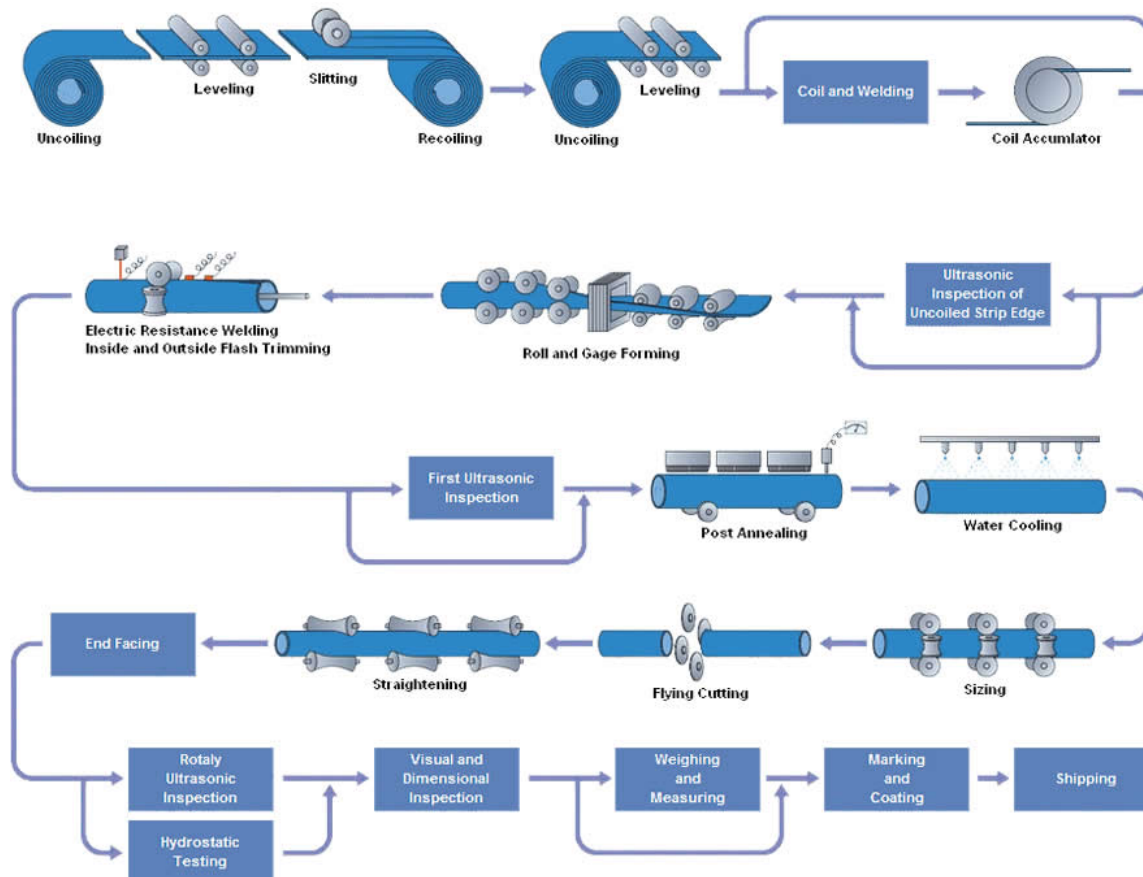
### *ERW manufacturing method*

ERW is the dominant manufacturing method for producing welded line pipe with O.D. up to 24 inches; and virtually all U.S. producers manufacturing such line pipe use the ERW or HSAW method. The ERW manufacturing process begins with coils of hot-rolled sheet steel, which are cut by a slitting machine into strips of the precise width needed to produce a desired diameter of pipe.<sup>77</sup> The slit coils are fed into tube mills, which cold-form the flat ribbon of steel into a tubular cylinder by a series of tapered forming rolls. The product is then welded along the joint axis by heat obtained from the pipe's resistance to the flow of electric current. The welded tube next passes under a tool that removes the outside flash (the metal extruded by the weld process) resulting from pressure during the welding. Inside flash is likewise removed by cutting tools. The tube is then subjected to such post-weld heat treatment as is required, and may involve heat treatment of the welded seam only or treatment of the full cross-section of the pipe. After heat treatment, sizing rolls shape the tube to specific diameter tolerances. The product is then cooled and cut to length at the end of the tube mill (figure I-3).

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<sup>77</sup> The required diameter and wall thickness of a pipe are a function of the intended volume and pressure of material that is to flow through the pipe.

**Figure I-3:  
Large diameter welded pipe: electric resistance welding manufacturing process**



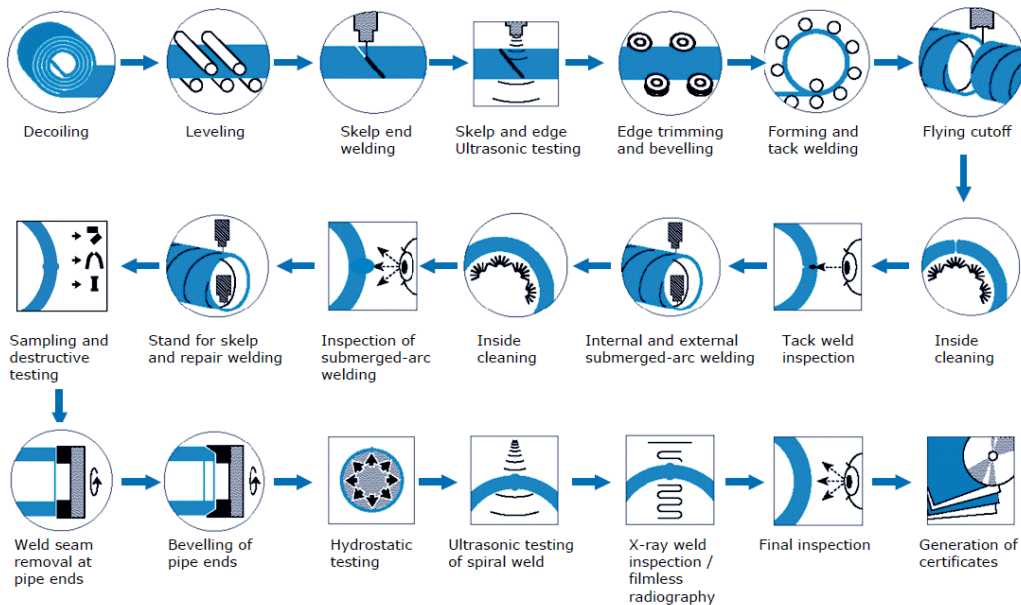
Source: Sunny Steel Enterprise Ltd., *ERW Manufacturing Process*, <http://www.sunnysteel.com/erw-pipe-processes.php#.VE5ySk10yic>, accessed January 30, 2018.

### *HSAW manufacturing method*

Like ERW, the HSAW manufacturing method uses coiled hot-rolled steel strip as the starting material for formation of pipes. The coiled steel strip is loaded on a decoiler and the strip is straightened and edges are milled to the desired joint configuration. The steel strip is guided into a forming station where it produces a cylinder hollowed body which is then welded spirally, like a helix, so that the coil strip assumes the shape of the pipe at a predetermined forming angle. Inside and outside welding is performed by an automatic submerged arc process. HSAW line pipe is not limited by coil width because of the helical wrap of the steel, and is generally used for larger-diameter pipe projects in the United States. The HSAW method of production can produce line pipe with a maximum O.D. of 157 inches, a maximum length of 80 feet, and a maximum pipe wall thickness of 1.03 inches.<sup>78</sup> Figure I-4 depicts the HSAW manufacturing process for welded line pipes.

<sup>78</sup> *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, pp. I-19-24.

**Figure I-4:**  
**Large diameter welded pipe: helical (spiral) submerged arc weld manufacturing process**



Source: Berg Spiral Pipe, Stages of HSAW Pipe Production, [www.bergpipe.com/files/production-process-bspm.pdf](http://www.bergpipe.com/files/production-process-bspm.pdf), accessed January 30, 2018.

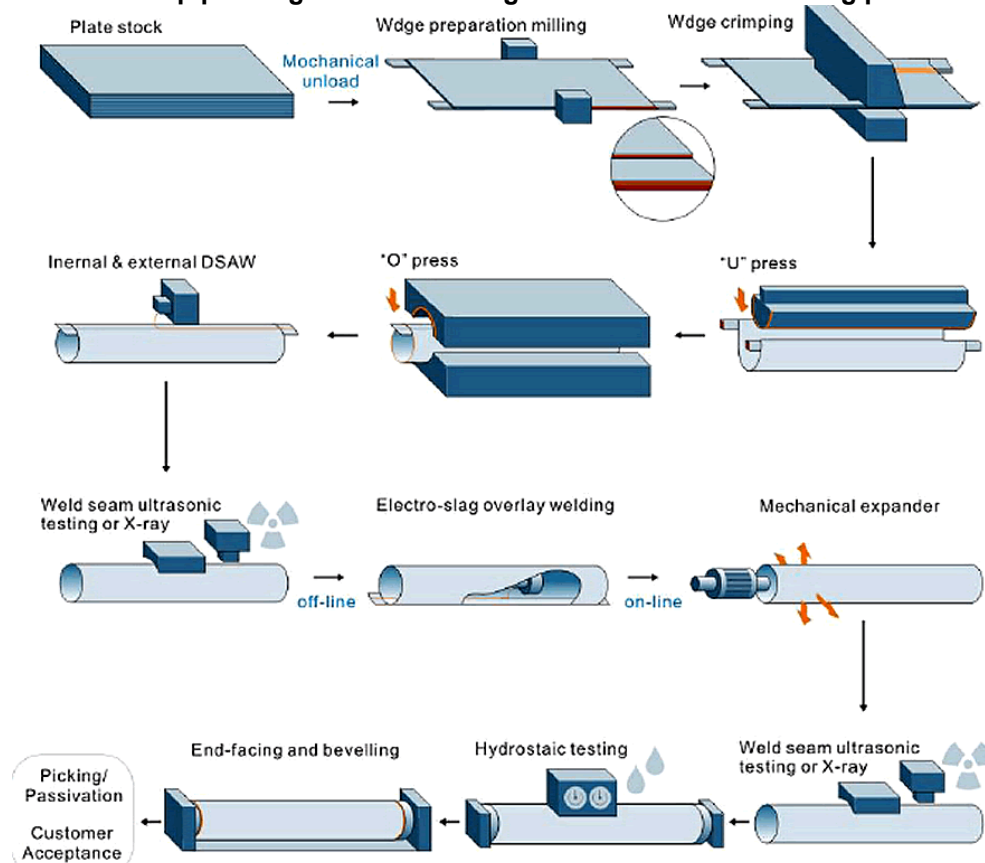
*LSAW manufacturing method*

Unlike the ERW and HSAW manufacturing methods, which begin with steel coils, the LSAW method produces line pipe from cut-to-length steel plates. Each individual plate proceeds through various steps including (a) shearing and edge planing to ensure that the plate is flat and aligned so that the two edges of the steel plate are parallel and square with the ends and (b) crimping or bending of the plate edges to avoid a flat surface along the seam of the pipe and (c) bending the plate to the desired form. The two primary methods of shaping line pipe in the LSAW process are the pyramid rolling<sup>79</sup> and the U-O-E methods.<sup>80</sup> Figure I-5 visually depicts the LSAW manufacturing process for welded line pipes.

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<sup>79</sup> The pyramid rolling machine consists of an elongated three-roll bending apparatus with the two bottom rolls fixed and the top roll movable along a vertical plane. The steel plate moves into position beneath the top roll and, through the proper combination of force and counter pressure, is shaped into a cylinder around the top roll. The edges of the pipe are formed by a continuous crimping machine, which prepares the edges for welding. When this is accomplished, the pipe is welded along the joint axis. Finally, the pipe is sized to ensure that it meets specifications on roundness and diameter at the ends. The sizing machine consists of a top and bottom roll shaped to the desired configuration of the pipe. Pressure is applied on the top roll to exert a force on the pipe as it passes between the rolls. *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, pp. I-19-24.

**Figure I-5:  
Large diameter welded pipe: longitudinal submerged arc weld manufacturing process**



Source: Sunny Steel Enterprise Ltd., *LSAW Manufacturing Process*, <http://www.sunnysteel.com/law-flow.php#.VgACuU2FOic>. Accessed January 30, 2018.

(...continued)

<sup>80</sup> In the U-O-E method, the plate is crimped by bending the edges upward; it then enters the U-press, where a die bends it into a “U” shape. Next, the “U” enters the O-press, where the walls of the “U”-shaped channel are forced together, resulting in an “O”-shaped pipe. The pipe is then welded along the joint axis. In order to round the pipe and to ensure proper yield strength (which may be reduced in the O-press), two methods of expansion can be used, mechanical or hydraulic. In the mechanical expander, the pipe is moved over a head mechanism with symmetrical segments that can exert force on the inside of the pipe, thereby causing it to expand. In the hydraulic expander, the pipe is closed at both ends, filled with water and then pressurized. Under high pressure, the pipe expands to fill outside dies of the desired size. The pipe is then tested and inspected. LSAW pipe is welded with an electric arc that heats the metal edges and a consumable electrode or electrodes which provide the filler metal. The weld is blanketed by a shield of granular, fusible flux to protect the hot weld from chemically reacting with the surrounding air. Pipes usually are welded on both the outside and the inside of the same seam. Following the welding process, the scaly deposit left from the flux must be scraped away and the pipe cleaned. The weld is then inspected to correct any defects. Specific heat treatments can be performed to achieve the desired physical properties for the weld section. *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, pp. I-19-24.

### *Testing and finishing stage*

The sizing, testing and finishing stage is similar in the ERW, LSAW, and HSAW manufacturing methods. Line pipe may be subject to various tests including hydrostatic testing and X-ray examination of the weld in order to detect any defects, and if necessary, would undergo finishing of the pipe ends including beveling.<sup>81</sup>

### **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) channels of distribution; (4) common manufacturing facilities, production processes, and production employees; (5) customer and producer perceptions; and (6) price.

Petitioners argued that the Commission should define a single domestic like product, co-extensive with the scope of these investigations.<sup>82</sup> Respondents contended that the Commission should treat line pipe and structural pipe as separate like products based on the scope definition.<sup>83</sup> Respondents contended that line pipe and structural pipe have different physical characteristics and uses, lack interchangeability, are sold at different prices, and are considered different products by producers and purchasers.<sup>84</sup> Respondent SeAH Steel Corporation argued that LDW stainless steel pipe is a separate like product because requires specialized facilities to be produced and cannot be produce in a facility designed for non-stainless products.<sup>85</sup>

The Commission in the preliminary phase found a single domestic like product including line pipe and structural pipe, observing that although there are distinctions between the two types, of pipes there was limited information on the record to enable the Commission to fully examine this issue.<sup>86</sup>

In the final phase of these investigations, petitioners argued that the Commission should continue to find a single like product, coextensive with the scope of these investigation because there is substantial overlap and no clear dividing lines among LDWP including line pipe, structural pipe, and stainless steel pipe.<sup>87</sup> In addition, petitioners assert that the application of LDW line pipe and LDW structural pipe are interchangeable to a certain extent but LDW

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<sup>81</sup> *Certain Welded Line Pipe from Korea and Turkey, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final)*, USITC Publication 4580, November 2015, pp. I-19-24.

<sup>82</sup> Petitioners' postconference brief, p. 1.

<sup>83</sup> Respondent CPW's postconference brief, p. 6.

<sup>84</sup> Borusan's Postconference Brief at 2-10; Corinth's Postconference Brief at 6-12; Evraz's Postconference Brief at 40-46.

<sup>85</sup> SeAH Steel Corporation's postconference brief, p. 2.

<sup>86</sup> *Certain Welded Large Diameter Line Pipe from Canada, China, Greece, India, Korea and Turkey, Inv. Nos. 701-TA-593-596 and 731-TA-1401-1406 (Preliminary)*, USITC Publication 4768, September 2013, pp. 9-10.

<sup>87</sup> Petitioners' Posthearing Brief, exh. 1, p. 3.

structural pipes are generally not used to transport liquids and gases for pipelines and similar uses.<sup>88</sup> However, LDW structural pipe can be produced to API specifications, which makes them viable in traditional applications for API grade pipe (to transport liquids and gases), and LDW line pipe produced to API standards can be used for structural applications.<sup>89</sup>

In this current phase of these investigations, respondents urged the Commission to define the domestic like product as three separate like products, (LDW line pipe, LDW structural pipe, and LDW stainless steel pipe) because there are key differences that distinguishes these products.<sup>90</sup> Respondents, joint Turkish producers and exporters advance the argument that there is no interchangeability among these products, where LDW line pipe is used for oil and gas; if a LDW line pipe fails testing it can be considered for LDW structural pipe application, but that is not intentional.<sup>91</sup> While LDW stainless steel pipe can to a degree be used as either LDW line pipe or LDW structural pipe, the price difference is prohibitive (price and cost is four times that of LDW line or LDW structural) and LDW stainless steel pipe is designed for different application.<sup>92</sup> Respondent, Borussan Mannesman, asserted the Harmonized Tariff Schedule recognizes the distinction between these products and has separate classifications for line pipe "of a kind used for oil and gas pipelines" and other welded pipe.<sup>93</sup>

### **Line pipe and structural pipe**

Table I-6 presents a summary of U.S. producers' and purchasers' responses on the comparability of LDW line pipe and LDW structural pipe and Appendix E provides U.S. producers' and purchasers' full narrative responses to the questions on the comparability of these products.

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<sup>88</sup> Petitioners' Prehearing Report at I-15 - I-16.

<sup>89</sup> Petitioners' Posthearing Brief, exh. 1, p. 6.

<sup>90</sup> Joint Turkish producers and exporters' Posthearing Brief, p.2 and Borussan Prehearing Brief, pp. 5-20.

<sup>91</sup> Ibid, exh. 2.

<sup>92</sup> Ibid.

<sup>93</sup> Borussan Mannesman's Prehearing Brief, p. 6.

**Table I-6****LDWP: U.S. producers' and purchasers' views regarding comparability for LDW line pipe vs. LDW structural pipe**

Item	Fully	Mostly	Somewhat	Never
	U.S. producers			
Physical characteristics and uses	1	3	5	5
Interchangeability	1	2	7	4
Manufacturing	3	4	5	2
Channels	3	3	5	2
Perceptions	1	---	8	3
Price	---	2	7	4
U.S. purchasers				
Physical characteristics and uses	---	2	4	21
Interchangeability	---	1	3	22
Manufacturing	3	3	5	7
Channels	1	3	5	7
Perceptions	---	1	3	12
Price	---	1	2	15

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

**Physical characteristics and uses**

Large diameter line pipe is used for oil and gas pipelines. These pipes are used by the energy and petrochemical industry for the transmission of liquids under high pressure, and as such, they must meet strict requirements and standards.<sup>94</sup> API pipe is subject to strict traceability requirements due to the applications of the pipe; pipeline safety is a critical concern for end users of API pipe.<sup>95</sup>

Large diameter structural pipe is used for infrastructure and other heavy civil construction.<sup>96</sup> Structural pipe is typically subject to ASTM grades.<sup>97</sup> Unlike API pipe, which can be considered “engineered pipe,” structural pipe is available in standard sizes and grades, and it cannot be used interchangeably with API pipe for the transmission of high pressure liquids.<sup>98</sup> LWD stainless steel pipe is used primarily in corrosive environments requiring stainless steel’s unique anti-corrosion qualities.<sup>99</sup>

Fourteen (14) U.S. producers and twenty-seven (27) U.S. purchasers compared the physical characteristics and uses of LDW line pipe and LDW structural pipe. Ten (10) U.S. producers and twenty-five (25) U.S. purchasers indicated that they were either somewhat comparable or never. Table I-6 summarizes their responses and Appendix E presents them in full.

<sup>94</sup> Respondent CPW’s postconference brief, p. 6.

<sup>95</sup> Ibid.

<sup>96</sup> Ibid.

<sup>97</sup> Ibid.

<sup>98</sup> Ibid.

<sup>99</sup> SeAH Steel Corporation’s postconference brief, p. 2.



## Interchangeability

Petitioners argue that pipe used of oil and gas are somewhat interchangeable with pipe used for structural application.<sup>100</sup> Specifically, they state that pipe used for oil and gas are to API standards; however, when a pipe fails to meet API specifications that pipe may be sold and used for structural application.<sup>101</sup>

Respondents advance the argument that LDW line pipe and LDW structural pipe are not interchangeable because although pipe that fails to meet the API standard can be sold as structural pipe, the reverse is not true.<sup>102</sup> Furthermore, they assert that structural pipe producers do not use hydrostatic testing equipment, which is essential to qualify for API certification and produce LDW line pipe.<sup>103</sup>

Fourteen (14) U.S. producers and twenty-six (26) U.S. purchasers addressed the question of whether LDW line pipe and LDW structural pipe are interchangeable on the basis of the ability to substitute the products in the same application. Eleven (11) U.S. producers and twenty-five (25) U.S. purchasers indicated that they were either somewhat comparable or never. Table I-6 summarizes their responses and Appendix E presents them in full.

## Channels of distribution

Petitioners contend that LDW line pipe and LDW structural pipe are sold through two main channels of distribution (distributors and end users) and that the same distributors sell both LDWP for oil and gas and structural applications.<sup>104</sup>

Respondents argue even though the channels of distribution may be similar; structural producers have a different customer base than line pipe producers.<sup>105</sup> Thirteen (13) U.S. producers and sixteen (16) U.S. purchasers compared LDW line pipe and LDW structural pipe on the basis of channels of distribution through which the products are sold. Seven (7) U.S. producers and twelve (12) U.S. purchasers indicated that they were either somewhat comparable or never. Table I-6 summarizes their responses and Appendix E presents them in full. Table I-7 presents information on the channels of distribution for LDW line pipe and LDW structural pipe.

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<sup>100</sup> Petitioners' postconference brief, p. 8.

<sup>101</sup> Ibid.

<sup>102</sup> Respondent CPW's postconference brief, p. 8.

<sup>103</sup> Ibid.

<sup>104</sup> Petitioners' postconference brief, p. 8.

<sup>105</sup> Respondent EVRAZ's postconference brief, p. 44.

**Table I-7****LDWP: U.S. channels of distribution for LDW line pipe vs. LDW structural pipe**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Share of U.S. shipments (percent)</b>				
U.S. producers: LDW line pipe to Distributors	9.9	7.3	17.8	21.9	21.2
to Oil and gas end users	89.5	92.7	82.2	78.1	78.8
to Other end users	0.6	---	---	---	---
U.S. producers: LDW structural pipe to Distributors	36.7	47.6	43.6	47.8	34.4
to Oil and gas end users	8.4	5.4	5.5	7.0	6.2
to Other end users	54.9	47.0	50.9	45.2	59.3

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

**Customer and producer perceptions**

Petitioners assert that customers' perceptions of the various LDWP products varies on the intended use and the manufacturing standard (API or ASTM).<sup>106</sup> In addition, petitioners state that LDWP line pipe are produced to a more exact specification (API) compared to that of LDW structural pipe; however, customers are willing to purchase LDW line pipe as a substitute for LDW structural pipe if the price is low enough.<sup>107</sup>

Respondents argue that the customer bases for line pipe and structural pipe are distinct in that the LDW line pipe procured by pipeline companies and contractors; the end users of LDW structural pipe are usually state and local governments.<sup>108</sup> Furthermore, respondents assert that the LDW line pipe market is driven by energy prices, drilling activity, and drill rig activity; while, the LDW structural pipe market follows nonresidential construction.<sup>109</sup>

Twelve (12) U.S. producers and sixteen (16) U.S. purchasers addressed the question regarding whether the market perceptions (of the customer and producer) were comparable between LDW line pipe and LDW structural pipe. Eleven (11) U.S. producers and fifteen (15) U.S. purchasers indicated that they were either somewhat comparable or never. Table I-6 summarizes their responses and Appendix E presents them in full.

**Manufacturing facilities and production employees**

Petitioners state that LDW line pipe and LDW structural pipe are produced in the same facilities using the same process despite the intended end user.<sup>110</sup> Respondents contend that producers of the line pipe and structural pipe are distinct because of the requirements for API and ASTM certification are different.<sup>111</sup> Respondent SeAH Steel Corporation contends that LDW

<sup>106</sup> Petitioners' postconference brief, p. 9.

<sup>107</sup> Petitioners' postconference brief, p. 9.

<sup>108</sup> Respondent CPW's postconference brief, p. 10

<sup>109</sup> Ibid., p.11.

<sup>110</sup> Petitioners' postconference brief, p. 9

<sup>111</sup> Respondent CPW's postconference brief, p. 9.

stainless steel pipe specifically cannot be produced on the same production equipment as carbon steel weld pipe products and often requires a completely different facility.<sup>112</sup>

Fourteen (14) U.S. producers and eighteen (18) U.S. purchasers addressed the question regarding whether LDW line pipe and LDW structural pipe are manufactured in the same facilities, from the same inputs, on the same/shared machinery and equipment, and using the same employees. Seven U.S. producers and twelve (12) U.S. purchasers indicated that they were either somewhat comparable or never, while seven (7) producers and six (6) purchasers indicated that they were fully or mostly comparable. Table I-6 summarizes their responses and Appendix E presents them in full, while table I-8 presents U.S. producers' shares of reported production by product type.

**Table I-8**  
**LDWP: U.S. producers' share of reported production by product type, 2017**

\* \* \* \* \*

**Price**

U.S. producers and purchasers were asked to compare LDW line pipe and LDW structural pipe on the basis of whether prices are comparable or differ between the products. Table I-6 summarizes their responses and Appendix E presents them in full, while table I-9 presents the average unit values of U.S. producers' U.S. shipments.

Thirteen (13) U.S. producers and eighteen (18) U.S. purchasers addressed the question regarding whether prices are comparable or differ for LDW line pipe and LDW structural pipe. Eleven (11) U.S. producers and seventeen (17) U.S. purchasers indicated that they were either somewhat comparable or never. Table I-6 summarizes their responses and Appendix E presents them in full.

**Table I-9**  
**LDWP: Average unit values of U.S. shipments, by product type, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
<b>Average unit values (dollars per short ton)</b>					
U.S. producers' U.S. shipments of:					
LDW line pipe	1,131	1,026	1,047	1,023	1,156
LDW structural pipe	1,199	934	1,052	1,026	1,312
LDW stainless steel structural pipe	***	***	***	***	***
LDW carbon and other alloy steel structural pipe	***	***	***	***	***

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

<sup>112</sup> SeAH Steel Corporation's postconference brief, p. 3.

## Stainless steel pipe

### Physical characteristics and uses

LDW stainless steel pipe, as discussed above, is characterized by its high-chrome chemistry and corrosion-resistant properties. LDW stainless steel pipe is commonly produced from austenitic or duplex stainless steel plate or sheet.

LDW stainless steel pipe is typically certified to ASTM specifications such as ASTM A169, ASTM A312, and A358, according to responding U.S. producers. Typical uses based on these certifications include corrosive environments, under high temperature and pressure conditions, or when cleanliness and ease of maintenance are strictly required.<sup>113</sup> A-312 is the most common ASTM specification for stainless steel pipe, and accounts for much of the consumption in the United States. Welded A-312 pipe is designed for high-temperature, high pressure, general corrosive-resistance service, and thus must be annealed (heat treated) after welding. Major uses for welded A-312 pipe include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines such as those in breweries, paper mills, and general food-processing facilities.<sup>114</sup>

### Interchangeability

There is no known U.S. production of stainless steel LDW line pipe (i.e., of a kind used for oil or gas pipelines). None of the producers of stainless steel LDWP are API 5L certified.<sup>115</sup>

Interchangeability between stainless LDWP and non-stainless LDWP is difficult to assess. As noted earlier, no stainless steel LDWP producer is certified to produce API 5L pipe, and accordingly none of the stainless steel LDWP producers produce or sell LDW line pipe. With respect to stainless steel LDW structural pipe and non-stainless steel LDW structural pipe, there is somewhat greater potential for interchangeability. However, a comparison of the top customers of the three reporting stainless steel and four reporting dedicated non-stainless steel LDW structural pipe producers reveals no overlap in top customers.

### Channels of distribution

Table I-10 presents the channels of distribution for stainless steel LDWP. As discussed above, the large majority of LDWP generally is sold to end users (oil and gas end users for line pipe, other end users for structural pipe). Stainless steel LDWP is primarily sold to distributors, and secondarily sold to other (non-oil and gas) end users.

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<sup>113</sup> SeAH Steel Corporation's postconference brief, p. 5.

<sup>114</sup> *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Third Review)*, USITC Publication 4280, December 2011, p. I-11.

<sup>115</sup> API Composite List, <https://www.api.org/products-and-services/api-monogram-and-apiqr/api-composite-list> (accessed November 16, 2018).

**Table I-10**  
**Stainless steel LDWP: Channels of distribution for domestic producers**

\* \* \* \* \*

**Customer and producer perceptions**

Respondent argues that LDW stainless steel pipe customers are vastly different from carbon steel pipe customers because stainless steel is better suited for extremely high or low operating temperatures.<sup>116</sup> As previously discussed, there is no overlap between the producers and top customers of domestically-produced stainless steel LDW structural pipe and domestically-produced non-stainless steel LDW structural pipe.

**Manufacturing facilities and production employees**

LDW stainless steel pipe cannot be produced on the same production equipment as carbon steel weld pipe products and often requires a completely different facility.<sup>117</sup>

Table I-11 presents information of U.S. producers' shares of reported production by product type. Only three U.S producers manufacture LDW stainless steel pipe and they combined represent all of the U.S. market share.

**Table I-11**  
**LDWP: U.S. producers' share of reported production by product type, 2017**

\* \* \* \* \*

**Price**

Respondents argue that the price for LDW stainless steel pipe is substantially higher than that of non-stainless product.<sup>118</sup> The type of stainless steel drives the price and can be five times higher than the price per ton for "mild" carbon-steel products.<sup>119</sup> Table I-12 presents the average unit values of U.S. producers' U.S. shipments.

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<sup>116</sup> SeAH Steel Corporation's postconference brief, attachment 2.

<sup>117</sup> SeAH Steel Corporation's postconference brief, p. 3.

<sup>118</sup> *Ibid.*, p. 4.

<sup>119</sup> *Ibid.*, p. 5.

**Table I-12****LDWP: Average unit values of U.S. shipments, by product type, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Average unit values (dollars per short ton)</b>				
U.S. producers' U.S. shipments of : Non-stainless steel LDW line pipe	1,131	1,026	1,047	1,023	1,156
Non-stainless steel LDW structural pipe	***	***	***	***	***
Stainless steel LDW structural pipe	***	***	***	***	***

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

### U.S. MARKET CHARACTERISTICS

LDWP is used to convey gas, oil, and other liquids, generally in a pipeline or utility distribution system.<sup>1</sup> LDWP is also used in structural applications, the most common of which is piling.<sup>2</sup> LDWP is produced from cut-to-length plate and hot-rolled coil. LDWP used to convey oil or gas is generally produced to an American Petroleum Institute ("API") standard (5L) and LDWP used in structural applications is produced to the American Society for Testing and Materials ("ASTM") specifications. LDWP is generally sold to end users for specific projects, such as pipelines for energy applications or for structural applications (e.g., bridges, stadiums, and deep water ports).<sup>3</sup> The vast majority of LDWP sold in the U.S. market is LDW line pipe, which accounted for 87 percent of apparent U.S. consumption in 2017.

Overall, apparent U.S. consumption in 2017 was 25.4 percent lower than in 2015. Apparent U.S. consumption was 4.1 percent lower in January-June 2018 than in January-June 2017.

### U.S. PURCHASERS

The Commission received 44 usable questionnaire responses from firms that have purchased LDWP since January 2015.<sup>4</sup> <sup>5</sup> Sixteen responding purchasers are distributors, 20 are oil and gas end users, and 7 are end users in the construction industry (e.g., foundation

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<sup>1</sup> Petition, vol. 1, p. 8.

<sup>2</sup> Tubular products produced from stainless steel sheet or plate represent a small portion of LDWP. Pipes fitting ASTM specifications A139 and A312 are not of a kind used for oil or gas pipelines or for piling, but rather typically convey liquid, gas, or vapor in corrosive or high-temperature conditions. Pipes fitting ASTM specification A358 are for corrosive or high-temperature service and general applications (including critical applications where failure of the weld might have serious consequences, such as in nuclear power plants and liquefied natural gas facilities). *Certain Welded Stainless Steel Pipe from Korea and Taiwan, Investigation Nos. 731-TA-540 and 541 (Second Review)*, USITC Publication 3877, August 2006, pp. 6, I-15, I-20, I-21, II-6; and Appendix E.

<sup>3</sup> Petitioners estimated that nearly 100 percent of LDWP purchased for energy-related applications and approximately 90 percent of LDWP purchased for structural applications is produced-to-order for specific projects. Conference transcript, p. 103 (Kaplan). Petitioners reported that in some cases, distributors act as purchasing agents for end users, such that sales to a distributor may in fact be for a discrete project. Petition, vol. 1, p. 16.

<sup>4</sup> Of the 44 responding purchasers, 38 purchased the domestic LDWP, 15 purchased imports of the subject merchandise from Canada, 15 purchased imports from China, 12 purchased imports from Greece, 8 purchased imports from India, 26 purchased imports from Korea, 4 purchased imports from Turkey, 15 purchased nonsubject imports from Korea, and 23 purchased imports of LDWP from other sources.

<sup>5</sup> Of the 44 responding purchasers, 34 purchased primarily LDW line pipe and 10 purchased LDW structural pipe.

contractor, civil construction such as highways, bridges, and drainage, and marine construction). Large purchasers of LDWP include \*\*\*, in order of size.<sup>6</sup> These ten purchasers accounted for approximately two-thirds of total reported purchases during January 2015-June 2018.

Eleven of 16 distributors reported that they competed for sales to customers with the manufacturers and/or importers from which they purchased LDWP. Distributors of LDW line pipe reported that they sold LDWP to oil and gas end users, oilfield service contractors and distributors, fabricators, welding shops, and other distributors. Distributors of LDW structural pipe reported that they sold LDWP to private and municipal infrastructure contractors, heavy civil contractors, marine contractors, fabricators, structural wholesalers, and other distributors.

### **Effect of the 232 investigation**

All responding U.S. producers and the vast majority of importers and purchasers were familiar with the 232 investigation or the subsequent tariffs on imported steel products. Four of 15 responding U.S. producers, 17 of 31 responding importers, and 19 of 37 responding purchasers reported that the announcement of the 232 investigation in April 2017 impacted conditions of competition for LDWP. Most responding firms reported that with the announcement, prices for raw materials and pipe increased. U.S. producer \*\*\* stated that projects were put on hold due to the uncertainty of the “duty structure.” Purchaser \*\*\* stated that purchasers delayed or cancelled projects due to uncertainty of domestic and imported steel pipe prices.

Eleven of 15 responding U.S. producers, 28 of 34 responding importers, and 32 of 37 purchasers indicated that the subsequent imposition of tariffs on imported steel products beginning in March 2018 impacted the conditions of competition for LDWP. Most U.S. producers stated that raw material costs have increased, which in turn increased the prices for LDWP. Most purchasers reported that the imposition of the 232 tariffs impacted the availability of steel as well as increased prices by 25 to 30 percent. Purchasers \*\*\* stated that the lead times for mills have greatly increased. Importer \*\*\* and purchaser \*\*\* stated that it is more difficult to source pipe from Korea due to the quotas. Importer \*\*\* stated that the uncertainty of these tariffs has made it almost impossible to enter into long-term supply contracts; in addition, the section 232 tariffs make it prohibitive to import LDWP to meet both specifications and timelines of LDW line pipe projects. It stated that these factors have affected the feasibility of LDW line pipe projects and projects may be put on hold or cancelled.

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<sup>6</sup> Of these purchasers, all but one are oil and gas end users which purchased almost exclusively LDW line pipe. \*\*\* is a distributor which purchased both LDW line pipe and LDW structural pipe since January 1, 2015.



## CHANNELS OF DISTRIBUTION

LDWP is sold to distributors, oil and gas end users, and other end users.<sup>7</sup> U.S. producers sold mainly to oil and gas end users during January 2015-June 2018. Imports of LDWP from Canada, Greece, India, and Turkey were \*\*\* sold to oil and gas end users during January 2015-June 2018 (table II-1). Imports of LDWP from China were sold \*\*\* to distributors in 2015 and then were sold \*\*\* to other end users during 2016-17 and interim 2018. Imports of LDWP from Korea were sold \*\*\* to distributors during the period.<sup>8</sup>

**Table II-1**

**LDWP: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2015-17, January-June 2017, and January-June 2018**

Item	Period				
	Calendar year			Jan.-June 2017	Jan.-June 2018
	2015	2016	2017		
<b>Share of reported shipments (percent)</b>					
<b>U.S. producers' U.S. shipments of LDWP:</b>					
Distributors	13.0	12.5	22.1	26.5	23.1
Oil and gas end users	80.3	81.3	69.3	65.5	68.5
Other end users	6.7	6.1	8.5	8.0	8.4

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

## GEOGRAPHIC DISTRIBUTION

More than half of responding U.S. producers reported selling LDWP to all regions in the contiguous United States; most U.S. producers reported selling to the Northeast, Midwest, Southeast, and Central Southwest (table II-2). A majority of the 27 responding importers reported selling to the Central Southwest and a plurality reported selling to the Pacific Coast. While importers sold LDWP throughout the United States, only two importers of subject merchandise from Korea reported serving the entire contiguous United States. For U.S. producers, 7.5 percent of sales were within 100 miles of their production facilities, 72.2 percent were between 101 and 1,000 miles, and 20.3 percent were over 1,000 miles. Importers sold 49.3 percent within 100 miles of their U.S. point of shipment, 46.6 percent between 101 and 1,000 miles, and 4.0 percent over 1,000 miles.

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<sup>7</sup> See appendix D for U.S. producers' and importers' U.S. shipments of LDW line pipe and LDW structural pipe by channels of distribution.

<sup>8</sup> Imports from China and Korea were the largest sources of subject imports of LDW structural pipe.

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

Region	U.S. producers	Canada	China	Greece	India	Korea	Turkey	Subject U.S. importers
Northeast	12	***	1	***	1	3	1	8
Midwest	14	***	---	***	1	3	---	5
Southeast	13	***	2	***	2	5	2	10
Central Southwest	14	***	7	***	3	16	3	24
Mountain	10	***	1	***	1	3	---	5
Pacific Coast	12	***	7	***	---	7	---	11
Other <sup>1</sup>	3	***	1	***	---	1	---	2
All regions (except Other)	8	***	---	***	---	2	---	2
Reporting firms	15	1	11	1	3	17	4	27

<sup>1</sup> All other U.S. markets, including AK, HI, PR, and VI.

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

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. supply

Fifteen U.S. producers<sup>9</sup> and importers of LDWP from Canada, China, Greece, India, Korea, Turkey, and nonsubject countries supply the U.S. market. A summary of supply factors for U.S. and subject foreign producers are presented in table II-3.

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<sup>9</sup> As discussed in Part I, 15 firms provided usable data on their production activities, which are presented in table II-3.

**Table II-3**  
**LDWP: Factors that affect ability to increase shipments to the U.S. market, by country**

Country	Capacity (short tons)		Capacity utilization (percent)		Inventories as a ratio to total shipments (percent)		Shipments by market, 2017 (percent)		Ability to shift to alternate products
	2015	2017	2015	2017	2015	2017	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	3,911,962	3,886,062	50.0	32.4	14.5	11.1	98.5	1.5	5 of 14
Canada	***	***	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***	***	***
Greece	***	***	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***	***	1 of 3
Korea	***	***	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***	***	1 of 5

Note.--Responding U.S. producers accounted for virtually all of U.S. production of LDWP in 2017. The one responding Canadian producer accounted for \*\*\* of U.S. imports of LDWP from Canada in 2017. No questionnaire responses were received from Chinese producers. The one responding Greek producer accounted for \*\*\* of U.S. imports of LDWP from Greece during 2017. Responding Indian producers accounted for \*\*\* of U.S. imports of LDWP from India during 2017. Responding Korean producers accounted for \*\*\* of U.S. imports of LDWP from Korea during 2017. Responding Turkish producers accounted for \*\*\* of U.S. imports of LDWP from Turkey during 2017. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources" and Part VII.

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

### Domestic production

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

Domestic capacity utilization decreased during 2015-17 as a result of decreased production.<sup>10</sup> This low level of capacity utilization suggests that U.S. producers may have substantial ability to increase production of LDWP in response to an increase in prices. U.S. producers' inventories declined. U.S. producers reported that the majority of their commercial shipments were produced-to-order. U.S. producers' exports, as a percentage of total

<sup>10</sup> Domestic capacity utilization was approximately 30 percent in interim 2017 and interim 2018.

shipments, increased slightly during 2015-17. \*\*\*. U.S. producers stated that it would be difficult to shift their shipments to other markets. U.S. producer Berg Pipe stated that tariff barriers to trade in other markets, specifically in China, Mexico, Russia, and Canada limited its ability to export.<sup>11</sup> Five of 14 responding U.S. producers stated that they could switch production from LDWP to other products. Other products that U.S. producers reportedly can produce on the same equipment as LDWP include line pipe up to 16 inches in diameter, and pipes for water transmission.

### **Subject imports from Canada**

Based on available information, Evraz has the ability to respond to changes in demand with moderate changes in the quantity of shipments of LDWP to the U.S. market. The main contributing factor to this degree of responsiveness of supply is some availability of unused capacity and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited inventories, and limited ability to shift shipments from alternate markets.

Evraz's capacity utilization decreased during 2015-17 \*\*\*; its capacity utilization increased from \*\*\* percent in interim 2017 to \*\*\* percent in interim 2018.<sup>12</sup> The Canadian producer's inventories, as a ratio to total shipments, increased slightly during 2015-17. Evraz sold LDWP \*\*\*. Evraz reported that \*\*\*.

### **Subject imports from China**

Based on available information, Chinese producers of LDWP have the ability to respond to changes in demand with large changes in the quantity of shipments of LDWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of large amounts of unused capacity and the ability to shift shipments from alternate markets. It is estimated that mills in China accounted for approximately 70 percent of all global welded tube production in 2015.<sup>13</sup> No information was available regarding inventories or Chinese producers' ability to shift production to or from alternate products.

### **Subject imports from Greece**

Based on available information, Corinth has the ability to respond to changes in demand with moderately large changes in the quantity of shipments of LDWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the ability to shift shipments from alternate markets, and the ability to shift

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<sup>11</sup> Conference transcript, pp. 65-66 (Riemer).

<sup>12</sup> \*\*\*.

<sup>13</sup> World Steel Association, Steel Statistical Yearbook, November 2017, table 28, p. 52.

production to or from alternate products. Factors mitigating responsiveness of supply include limited inventories.

Corinth's capacity utilization increased during January 2015-June 2018 \*\*\*; its capacity \*\*\* during this same period.<sup>14</sup> The Greek producer's inventories, as a ratio to total shipments, decreased slightly from 2015 to 2017. Corinth's exports to other markets increased during 2015-17 as its exports to the U.S. market decreased. Corinth reported that \*\*\*.

### **Subject imports from India**

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

Indian producers' capacity utilization increased during 2015-17 \*\*\*. Indian producers' capacity utilization remained constant at \*\*\* percent in January-June 2017 and January-June 2018 and is anticipated to \*\*\* in 2019. Indian producers' inventories, as a ratio to total shipments, fluctuated but remained low from 2015 to 2017. The share of shipments to India's home market decreased over the period while its share of shipments to export markets increased. Welspun India reported \*\*\*.

### **Subject imports from Korea**

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

Korean producers' capacity utilization increased during January 2015-June 2018 \*\*\*. Korean producers' inventories, as a ratio to total shipments, fluctuated during the period but decreased overall from 2015 to 2017. Korean producers exported LDWP \*\*\*. Husteel reported that \*\*\*.

### **Subject imports from Turkey**

Based on available information, Turkish producers have the ability to respond to changes in demand with large changes in the quantity of shipments of LDWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are large amounts of unused capacity, the ability to shift shipments from alternate markets, and some

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<sup>14</sup> \*\*\*.

ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited inventories.

Turkish producers' capacity utilization decreased during January 2015-June 2018 \*\*\*. Turkish producers' inventories, as a ratio to total shipments, remained relatively unchanged from 2015 to 2017. Producers from Turkey \*\*\*. One of five responding Turkish producers reported that \*\*\*.

### **Imports from nonsubject sources**

Imports from nonsubject sources accounted for \*\*\* percent of total U.S. imports, by quantity, in 2017. The largest sources of such imports during 2015-17 were Germany and Japan.<sup>15</sup>

### **Supply constraints**

The majority of U.S. producers did not report any supply constraints since January 2015. However, \*\*\* reported that while it has never refused purchase orders from new or existing customers, it has not always been able to supply LDWP in the timeframe requested.

Ten of 30 responding importers reported experiencing supply constraints. Three importers (\*\*\*) reported that they were not able to import all the LDWP to fill current orders due to the section 232 quotas on Korea. Importer \*\*\* reported that it was out of stock on many sizes of LDWP but unable to replace inventory with domestically produced LDWP because domestic mills do not produce certain grades and require minimum quantity requirements that are too large. Importer \*\*\* reported that it was unable to source LDWP because \*\*\*. Two importers reported that they were unable to import LDWP since the preliminary duties were imposed because imported LDWP was not competitive.

Nineteen of 43 responding purchasers reported experiencing supply constraints.<sup>16</sup> Five purchasers reported that domestic mills were unable to meet specified delivery times and another six purchasers reported experiencing constraints due to mills' inability to meet delivery commitments, but did not specify the location of the mill. Two purchasers reported that mills were not participating in bids because they did not have available capacity. One purchaser, \*\*\*, stated that one U.S. mill refused to participate in a bid, indicating that it was at full capacity until October 2019, and another domestic mill provided an extremely high-priced quote and indicated that it could not deliver until 2020 despite the requested delivery date of April 2019.<sup>17</sup>

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<sup>15</sup> As noted in Part I, antidumping duties are currently in effect on large diameter line pipe from Japan with an outside diameter greater than 16 inches but less than 64 inches (with multiple additional product exclusions).

<sup>16</sup> Most purchasers that reported supply constraints were oil and gas end users which purchased LDW line pipe. Twelve of 20 oil and gas end users reported experiencing supply constraints; 1 of 7 construction end users reported experiencing supply constraints; and 6 of 16 distributors reported experiencing supply constraints.

<sup>17</sup> \*\*\*.

\*\*\* stated that the domestic supply of hot-rolled coil was impacting the production and delivery schedules of domestic LDWP. It also stated that some domestic mills have declined to bid on small quantities or pipe ranges outside of their more profitable sizes. Two purchasers reported supply constraints in purchasing LDWP from Korea due to section 232 quota restrictions.

Eleven of 15 U.S. producers reported that antidumping duty and countervailing duty orders on hot-rolled steel and cut-to-length plate have not impacted the availability of LDWP. Four U.S. producers indicated that there has been an impact on the availability of LDWP.<sup>18</sup> \*\*\* stated that once antidumping and countervailing duties were imposed on hot-rolled steel and cut-to-length plate, the same steel was being imported in to the U.S. market but in the form of finished pipe. \*\*\* stated that duties on these raw materials have reduced domestic LDWP producers' supply options and the timeliness of LDWP production and have had a negative impact on U.S. producers' ability to deliver in accordance with customers' schedules.<sup>19</sup> \*\*\* stated that "{s}teel availability is a concern in United States. However, the domestic producers are investing in mills to increase capability." \*\*\* stated that there is reduced availability of hot-rolled steel for U.S. pipe producers.

Importers' responses were mixed with 17 of 32 responding importers reporting that the availability of LDWP has been impacted by antidumping duty and countervailing duty orders on hot-rolled steel and cut-to-length plate. Importer \*\*\* stated that Korean producers/exporters will not provide quotes for purchases until the preliminary duties in these investigations are finalized. In addition to availability, three importers reported that lead times and delivery times have extended at mills.

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<sup>18</sup> On November 30, 2016, U.S. producers Berg and Dura-Bond testified that AD/CVD orders on CTL plate have impacted their ability to procure X-70 plate which has limited their ability to produce LDW line pipe. Berg stated that since preliminary duties were imposed on CTL plate in April 2016, it has not been able to rely on imported CTL plate in order to bid for pipeline projects. Berg stated that U.S. plate producers were unable to produce the plate that Berg required and therefore, Berg has "been unable to participate in several large pipeline projects of a total quantity of more than one million tons." *Certain Carbon and Alloy Cut-to-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey. Inv. Nos. 701-TA-560-561 and 731-TA-1317-1328 (Final)*, hearing transcript, November 30, 2016, pp. 168-169 and 180 (Riemer and Norris). Berg reported that since testifying in 2016, the U.S. steel industry has expanded their capacity as well as allocated more steel for the API market segment. Hearing transcript, pp. 159-160 (Riemer). Dura-Bond stated that both of its suppliers have made substantial investments in the hot-rolled coil and API plate facilities. Hearing transcript, p. 160 (Norris).

<sup>19</sup> \*\*\* further stated that "Duties placed on HR coil from India had a negative impact on Welspun U.S. and forced it to import LDWP from India, rather than importing HR coil and making the LDWP in the United States. Duties on CTL plate from Germany and France disrupted supply of pipe by Berg and Dura-Bond in 2017, as they needed to obtain new, largely unproven steel sources from American mills, since the U.S. LDWP producers are not vertically integrated in steelmaking as Evraz is in Regina, Canada."

## **New suppliers**

Nine of 43 purchasers indicated that new suppliers entered the U.S. market since January 1, 2015. Purchasers most often cited Axis Pipe and Tube (United States). Purchasers also reported California Steel's expanded capacity, and the change of ownership at Liberty Steel and Jindal Tubular USA.

## **U.S. demand**

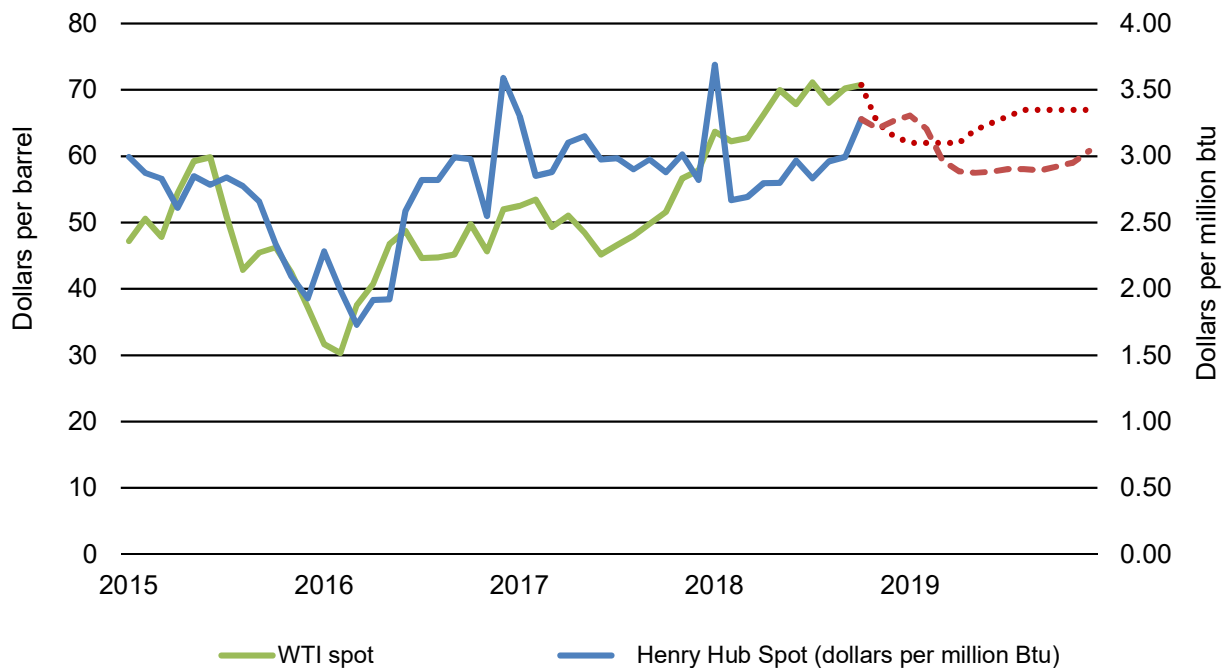
Based on available information, the overall demand for LDWP is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute products and the relatively small to moderate cost share of LDWP in most of its end-use applications.

Since LDWP is used as an intermediate product, demand for LDWP depends on the price and productivity of the end product for which it is used. Most LDWP is used in the transmission of oil and gas, including liquefied natural gas (LNG); therefore, demand for LDWP has historically been sensitive to changes in oil and gas prices which affect the capital investment in the production of oil and gas, where a large portion of LDWP is used.

Spot prices for oil and natural gas fluctuated between January 2015 and June 2018, with the price of oil increasing overall and the price of natural gas decreasing slightly overall (figure II-1). The WTI spot price for crude oil increased through June 2015, declined to its lowest point in February 2016 and then increased irregularly through the remainder of the period. The WTI spot price for crude oil increased overall by 43.7 percent from January 2015 to June 2018. The Henry Hub spot price of natural gas decreased irregularly from January 2015, falling to its lowest point in March 2016, then increased irregularly with a sharp increase in December 2016. The Henry Hub spot price of natural gas then fluctuated throughout 2017, peaked in January 2018, and then irregularly decreased through June 2018. The Henry Hub spot price of natural gas decreased overall by 90.2 percent from January 2015 to June 2018.



**Figure II-1**  
**Oil and natural gas: Short term actual and predicted monthly West Texas Intermediate crude oil prices and Henry Hub spot prices of natural gas, January 2015-October 2018, forecast November 2018-December 2019**



Source: U.S. EIA, <https://www.eia.gov/outlooks/steo/>, retrieved November 8, 2018.

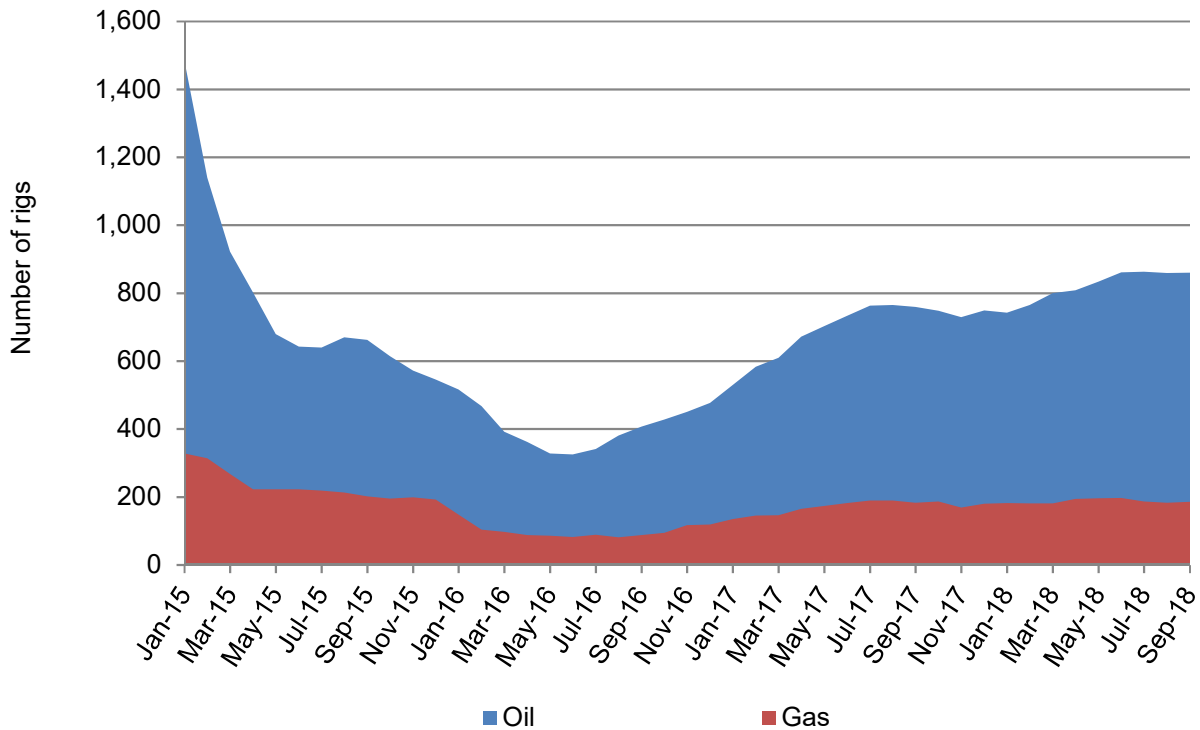
Production of oil and gas can affect demand conditions for LDWP, and rig count is a leading indicator of oil and gas sector activity. Crude petroleum and natural gas production increased irregularly by 11.0 and 8.9 percent, respectively, from the first quarter of 2015 to the second quarter of 2018.<sup>20</sup> Crude petroleum production levels decreased from 9.5 million barrels of crude oil per day in the first half of 2015 to 8.6 million barrels in the third quarter of 2016, then increased to 10.5 million barrels by the second quarter of 2018. Natural gas production fluctuated from 73.8 billion cubic feet per day in the first quarter of 2015 to 74.1 billion cubic feet in the first quarter of 2016. Natural gas production fell from the second quarter of 2016 to the first quarter of 2017 before increasing to 80.4 billion cubic feet per day in the second quarter of 2018.<sup>21</sup> U.S. rig count also fluctuated during January 2015-June 2018 (figure II-2). Both the number of oil rigs and rotary rigs used for natural gas fluctuated, but overall decreased from 1,482 rigs and 328 rigs, respectively, in the first week of January 2015 to 858 rigs and 198 rigs, respectively, in the last week of June 2018.

<sup>20</sup> U.S. EIA, Short-term Energy Outlook, January 2018.

<sup>21</sup> U.S. EIA, Short-term Energy Outlook, January 2018.

**Figure II-2**

**Rotary rig count: Average weekly rig counts, January 2015-September 2018**



Source: Hughes Incorporated, <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-reports&other>, retrieved November 8, 2018.

The number of projects and miles of completed pipelines fluctuated but increased overall from 2015 to 2017; the number of miles completed in 2017 was nearly 6 times more than in 2015 (table II-4). The number of planned miles of pipeline nearly doubles from 2018 to 2019.<sup>22</sup>

<sup>22</sup> These data include pipeline for projects that are publically announced, applied, approved, filed, or re-filed with the Federal Energy Regulatory Commission (FERC), or under construction. Petitioners noted that many projects are indefinitely delayed or cancelled and therefore, these data may be of limited use in measuring future demand for LDWP. Petitioners' postconference brief, p. 18.

**Table II-4**

**Natural gas: Miles of pipeline and number of projects reported by the Department of Energy for projects completed or planned to be completed,<sup>1</sup> 2015-2020<sup>2</sup>**

Item	2015	2016	2017	January-August 2018	2018	2019	2020	Beyond 2020
	Completed				Planned <sup>1</sup>			
Miles of pipeline	407	350	2,343	335	1,311	2,332	1,645	3,108
Number of projects	25	19	37	16	44	42	19	14

<sup>1</sup> Includes pipeline for projects that are publically announced, applied, approved, filed, or pre-filed with the Federal Energy Regulatory Commission (FERC), or under construction.

<sup>2</sup> Pipeline diameters less than 16 inches were not included in the tabulation.

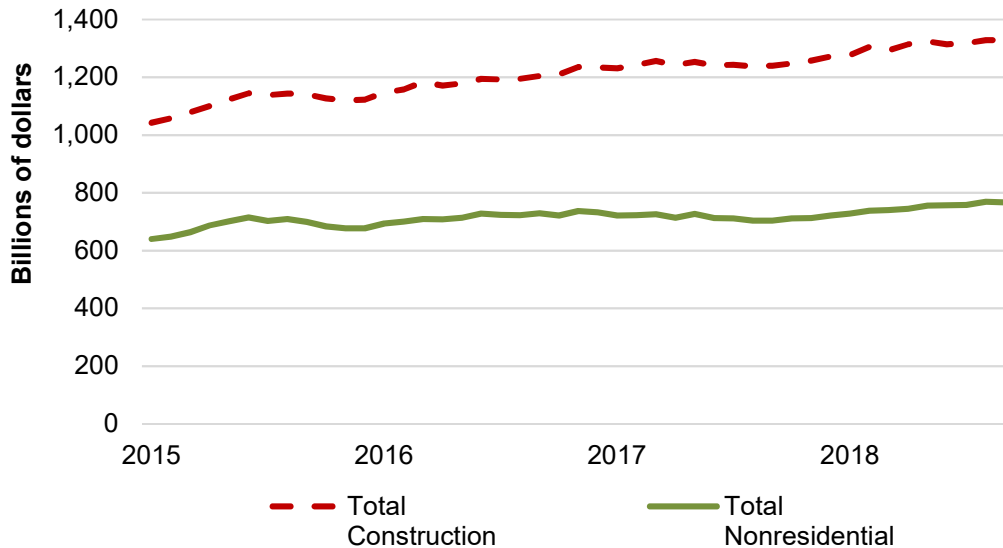
Note.--These data contain an aggregation of natural gas pipeline expansion projects slated to commence operations in coming years, and completed in past years. The data are not collected in an EIA survey. This information was compiled from trade press (e.g., PointLogic Energy, SNL), pipeline company websites, and the Federal Energy Regulatory Commission (FERC) on planned pipeline construction. The amount of capacity additions that come online may be significantly different than reflected in accompanying data. These data are not a forecast. Generally, only natural gas transmission lines are included in this file; gathering lines, distribution lines, and LNG marine terminals are excluded.

Source: Compiled by the U.S. Dept. of Energy, Energy Information Administration from the Federal Energy Regulatory Commission (FERC), trade press, company websites, SNL Financial, and PointLogic Energy, released August 21, 2018.

Demand for structural LDWP is driven by demand in the construction sector. The value of U.S. nonresidential construction increased by 19.8 percent from \$640.3 billion in January 2015 to \$767.1 billion in September 2018 (figure II-3).

**Figure II-3**

**U.S. construction spending: Value of total and nonresidential construction put in place, seasonally adjusted, monthly, January 2015-September 2018**



Source: Manufacturing, Mining, and Construction Statistics, Construction Spending, U.S. Census Bureau, [http://www.census.gov/construction/c30/historical\\_data.html](http://www.census.gov/construction/c30/historical_data.html); retrieved November 8, 2018.

## End uses and cost share

U.S. demand for LDWP depends on the demand for U.S.-produced downstream products and construction applications. Reported end uses include oil and gas transmission pipelines and structural products or construction applications such as marine or bridge foundations, ferry landings, railroads, and sign pole structure.

LDWP accounts for a small to moderate share of the cost of the end-use products in which it is used. Most U.S. producers, importers, and purchasers reported cost shares for oil and gas transmission ranging from 15 to 30 percent and general structural applications ranging from 2 to 20 percent. U.S. producers, importers, and purchasers reported the following cost shares for the following end uses:

- Oil and gas transmission pipelines (3 to 71 percent)<sup>23</sup>
- Slurry pipeline (55 to 90 percent)
- Conductor casings for oil and gas wells (2 to 3 percent)
- Mining (10 percent)
- Bridges (2 to 5 percent)
- Pipe piling (20 to 90 percent)
- Sign pole structure (65 percent)
- Deep water ports (2 to 60 percent)
- Docks and ferry landings (25 to 35 percent)
- Railroad (10 percent)
- Roads (2 percent)

## Business cycles

Eleven of 15 U.S. producers, 14 of 34 importers, and 21 of 43 purchasers indicated that the market was subject to business cycles or conditions of competition. The majority of responding firms reported that demand for LDWP is linked to the production and consumption of oil and gas. Three purchasers reported that demand is seasonal and coincides with construction periods.

## Demand trends

Most U.S. producers reported that demand for LDWP fluctuated in both the oil and gas sector and other sectors since January 1, 2015 (table II-4). A plurality of importers indicated that demand increased in both the oil and gas sector and other sectors. Most purchasers reported that demand for LDWP increased in the oil and gas sector and a plurality of purchasers reported that demand remained unchanged in other sectors. In general, firms reported that demand for LDWP fluctuates with changes in the prices for crude oil and natural gas as well as

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<sup>23</sup> Majority of firms reported costs shares ranging between 15 and 30 percent for oil and gas transmission lines.

the drilling for those resources. Several firms noted price declines in the oil and gas markets through 2016 and an increase in energy prices in 2017-18. U.S. producer \*\*\* stated that regulatory policies involving project permits can affect the demand for LDWP. U.S. producer \*\*\* stated there was an increase in dock terminal construction which increased the demand for LDWP in this market; however, offshore rig work decreased in 2015-16 due to a decrease in energy prices that negatively affected demand for LDWP in this market. Several purchasers reported that the increased demand for natural gas has increased investment in U.S. pipeline systems. Purchaser \*\*\* stated that while demand fell during the end of 2016, demand for LDWP has rebounded to a high due to the numerous Permian Basin projects.

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

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
<b>Demand inside the United States: Oil and gas</b>				
U.S. producers	1	---	2	8
Importers	14	1	5	11
Purchasers	21	3	4	6
<b>Demand inside the United States: Other sectors</b>				
U.S. producers	1	---	2	6
Importers	7	3	1	4
Purchasers	5	7	1	6
<b>Demand outside the United States: Oil and gas</b>				
U.S. producers	1	1	5	2
Importers	8	2	5	8
Purchasers	4	4	3	5
<b>Demand outside the United States: Other sectors</b>				
U.S. producers	1	1	1	3
Importers	3	2	1	4
Purchasers	1	5	---	3

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

Most (20 of 25) responding purchasers reported that the demand for their firms' final products incorporating LDWP has increased or fluctuated since January 2015. Most purchasers (15 of 24) reported that this has had an effect on their firms' demand for LDWP with most purchasers citing that their demand for LDWP is largely based upon new project construction requirements.

### Substitute products

The vast majority of responding firms indicated that there were no substitutes for LDWP. However, 3 of 15 U.S. producers, 3 of 32 responding importers, and 1 of 42 purchasers indicated that there were substitutes for LDWP. Two U.S. producers, two importers and one purchaser identified seamless pipe used in oil and gas lines as a potential substitute. One U.S. producer and one importer noted that it is not considered an economically viable substitute

because of its significantly higher costs. U.S. producer and importer \*\*\* stated that because it is both produced domestically by U.S. Steel (in sizes up to 24 inches in diameter) and is a substitute for LDWP, seamless pipe puts a price ceiling on LDWP. One U.S. producer identified ductile iron pipe as a substitute for LDWP in water transmission applications and indicated that its price did not affect the price of LDWP. One importer identified structural beams used in structural/construction applications as a potential substitute and indicated that its price did not affect the price of LDWP.

The vast majority (37 of 42) of purchasers indicated that their firm has not evaluated both LDW line pipe and LDW structural pipe for the same end use. Purchasers unanimously reported that for oil and gas applications, LDW structural pipe could never be substituted for LDW line pipe. Four purchasers (\*\*\*) of 42 reported that LDW line pipe could be substituted for LDW structural pipe on occasion depending on the project specifications, delivery requirements, and the availability of supply. Two purchasers reported 25 to 30 percent of their purchases, one purchaser reported that it has considered both LDW line pipe and LDW structural pipe for the same end use in 10 percent of its purchases, and one purchaser reported doing so for 50 percent of its purchases.

### **SUBSTITUTABILITY ISSUES**

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

#### **Lead times**

LDWP is primarily produced-to-order. U.S. producers reported that 94.6 percent of their commercial shipments were produced-to-order, with lead times averaging 86 days. The remaining 5.4 percent of their commercial shipments came from U.S. inventories, with lead times averaging 12 days.<sup>24</sup> Importers reported that 86.7 percent of their commercial shipments were produced-to-order, with lead times averaging 162 days. Approximately 1.3 percent of their commercial shipments came from U.S. inventories, with lead times averaging 10 days. The remaining 12.0 percent of their commercial shipments came from foreign inventories, with lead times averaging 177 days.

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<sup>24</sup> U.S. producers reported a higher share of their commercial shipments of LDW structural pipe was sold through inventories (\*\*\*) percent), compared to (\*\*\*) percent) for LDW line pipe.

## Knowledge of country sources

Forty purchasers indicated they had marketing/pricing knowledge of domestic product, 23 of Canadian product, 15 of Chinese product, 15 of Greek product, 12 of Indian product, 27 of Korean product, 11 of Turkish product, and 21 of LDWP from nonsubject countries.

As shown in table II-5, most purchasers always or usually make purchasing decisions based on the producer and country of origin, while these factors are only sometimes or never included in their customers' decision. Of the 13 purchasers that reported always making decisions based on the manufacturer, 4 firms cited having a select list of qualified mills; other reasons cited include quality, availability, specific engineering specifications, mill's technical capabilities and track record, and ability to meet a project's scheduled requirements.

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

Decision	Always	Usually	Sometimes	Never
Purchases based on producer:				
Purchaser's decision	13	13	12	5
Purchaser's customer's decision	---	4	12	14
Purchases based on country of origin:				
Purchaser's decision	8	16	9	8
Purchaser's customer's decision	---	8	11	9

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

Twenty-six of 43 responding purchasers indicated that they or their customers have specifically ordered LDWP from one country in particular over other possible sources of supply. The majority of responding purchasers stated that they prefer LDWP that is domestically produced. Purchasers cited better quality control, delivery time, "Buy America" provisions, and customer preference as reasons for preferring U.S.-produced LDWP.

### Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for LDWP were price (40 firms), quality (28 firms), and availability/supply (20 firms), as shown in table II-6. Price and quality were the most frequently cited first-most important factors (cited by 15 firms each), followed by availability/supply (5 firms); availability/supply was the most frequently reported second-most important factor (12 firms); and price was the most frequently reported third-most important factor (17 firms).

The top purchasing factors identified by purchasers varied slightly depending on whether the firms purchased primarily LDW line pipe or LDW structural pipe.<sup>25</sup> Of those purchasers that primarily purchased LDW line pipe, quality was the most frequently cited first-most important factor in their purchasing decisions (cited by 15 firms), followed by price (9

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<sup>25</sup> Thirty-four purchasers primarily purchased LDW line pipe since January 1, 2015, which included the ten largest purchasers of LDWP. Ten purchasers primarily purchased LDW structural pipe since January 1, 2015. These firms are \*\*\*.

firms); availability/supply was the most frequently reported second-most important factor (10 firms); and price was the most frequently reported third-most important factor (14 firms). Of those purchasers that primarily purchased LDW structural pipe, price was the most frequently cited first-most important factor (cited by 6 firms); quality and delivery/lead times were the most frequently reported second-most important factors (3 firms each); and price and quality were the most frequently reported third-most important factors (3 firms each).

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

Item	1st	2nd	3rd	Total
	Number of firms (number)			
<b>LDWP:</b>	<b>All purchasers</b>			
Price / Cost	15	8	17	40
Quality	15	8	6	28
Availability / Supply	5	12	3	20
Delivery / Lead times	3	9	7	2
All other factors <sup>1</sup>	5	6	9	NA
<b>LDW line pipe:</b>	<b>Purchasers that primarily purchased LDW line pipe</b>			
Price / Cost	9	7	14	30
Quality	15	5	3	22
Availability / Supply	4	10	2	16
Delivery / Lead times	2	6	6	2
All other factors <sup>1</sup>	3	5	8	NA
<b>LDW structural pipe:</b>	<b>Purchasers that primarily purchased LDW structural pipe</b>			
Price / Cost	6	1	3	10
Quality	---	3	3	6
Availability / Supply	1	2	1	4
Delivery / Lead times	1	3	1	---
All other factors <sup>1</sup>	2	1	1	NA

<sup>1</sup> Other factors included traditional supplier, contract requirements and terms, ability to meet specifications, range of product line, domestic preference (Buy America), material chemistry, approved manufacturing list, and manufacturer's experience.

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

Purchasers reported that they consider the following characteristics when determining the quality of LDWP: steel chemistry, conformity to API 5L for dimensional tolerances, fabrication tolerances, flaws and imperfections, weld quality, wall thickness, grade, finish of pipe ends, raw materials used, and consistency.

The majority of purchasers (30 of 43) reported that they usually purchase the lowest-priced LDWP. Ten purchasers reported that they sometimes purchase the lowest-priced LDWP, 2 purchasers reported always, and 1 reported never.

Half of responding purchasers (21 of 42) indicated that certain grades/types/sizes of LDWP were only available from certain country sources. Eight purchasers reported that pipe with a heavier wall thickness was not domestically available but available from Germany, Japan,



Korea, and the United Kingdom. Six purchasers reported that 26-inch ERW pipe is not produced domestically but is available from Greece and Japan.<sup>26</sup>

### **Importance of specified purchase factors**

Purchasers were asked to rate the importance of 20 factors in their purchasing decisions (table II-7). The factors rated as very important by more than half of responding purchasers were price (40 firms), quality meets industry standards (40), product consistency (38), availability (37), delivery time (36), reliability of supply (36), project specification (34), availability of size greater than 24" (30), producer's available capacity (27), availability of size 16"-24" (24), and quality exceeds industry standards (23).

The importance of specified purchasing factors varied slightly depending on the type of purchaser. Tables II-8 and II-9 present the importance of specified purchasing factors for purchasers that primarily purchase LDW line pipe and purchasers that primarily purchase structural pipe. More than half of responding purchasers that primarily purchase LDW line pipe rated the following factors as very important: product consistency (31 firms), quality meets industry specifications (31), price (30), availability (28), delivery time (27), reliability of supply (27), project specification (25), availability of size greater than 24" (22), availability of size 16"-24" (21), producer's available capacity (21), and quality exceeds industry standards (19). The factors rated as very important by more than half of responding LDW structural pipe purchasers were price (10 firms), availability (9), delivery time (9), project specification (9), quality meets industry standards (9), reliability of supply (9), availability of size greater than 24" (8), product consistency (7), and producer's available capacity (6).

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<sup>26</sup> U.S. producers do not produce 26-inch pipe using ERW welding process, but they do produce 26-inch pipe diameter using LSAW welding process. Petitioners contend that the two welding processes are interchangeable. Hearing transcript, pp. 85-87 (Riemer, Norris and Hendricks). According to Stupp, pipeline operating companies will use both welding processes on the same pipeline. Hearing transcript, p. 87 (Clark).

**Table II-7**

**LDWP: Importance of purchase factors, as reported by U.S. purchasers, by factor**

Factor	Number of firms reporting		
	Very	Somewhat	Not
<b>LDWP:</b>	<b>All purchasers</b>		
Price	40	3	---
Quality meets industry standards	40	2	1
Product consistency	38	4	---
Availability	37	5	1
Delivery time	36	7	---
Reliability of supply	36	6	---
Project specification	34	6	2
Availability of size > 24"	30	10	2
Producer available capacity	27	14	2
Availability of size 16"-24"	24	13	5
Quality exceeds industry standards	23	15	3
Total installation costs	20	12	10
Delivery terms	18	25	---
Technical support/service	18	20	4
U.S. transportation costs	18	20	5
Minimum quantity requirements	16	20	6
Discounts offered	13	23	6
Product range	11	26	5
Payment terms	10	26	6
Packaging	7	20	14

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

**Table II-8**

**LDW line pipe: Importance of purchase factors, as reported by U.S. purchasers, by factor**

Factor	Number of firms reporting		
	Very	Somewhat	Not
<b>LDW line pipe:</b>	<b>Purchasers that primarily purchased LDW line pipe</b>		
Product consistency	31	2	---
Quality meets industry standards	31	2	---
Price	30	3	---
Availability	28	5	---
Delivery time	27	6	---
Reliability of supply	27	5	---
Project specification	25	6	2
Availability of size > 24"	22	8	2
Availability of size 16"-24"	21	9	2
Producer available capacity	21	11	1
Quality exceeds industry standards	19	13	1
Technical support/service	16	16	1
Total installation costs	15	11	7
Delivery terms	13	20	---
Minimum quantity requirements	13	15	5
U.S. transportation costs	13	17	3
Product range	10	19	4
Discounts offered	9	19	4
Payment terms	8	20	5
Packaging	7	15	10

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

**Table II-9**  
**LDW structural pipe: Importance of purchase factors, as reported by U.S. purchasers, by factor**

Factor	Number of firms reporting		
	Very	Somewhat	Not
<b>LDW structural pipe:</b>	<b>Purchasers that primarily purchased LDW structural pipe</b>		
Price	10	---	---
Availability	9	---	1
Delivery time	9	1	---
Project specification	9	---	---
Quality meets industry standards	9	---	1
Reliability of supply	9	1	---
Availability of size > 24"	8	2	---
Product consistency	7	2	---
Producer available capacity	6	3	1
Delivery terms	5	5	---
Total installation costs	5	1	3
U.S. transportation costs	5	3	2
Discounts offered	4	4	2
Quality exceeds industry standards	4	2	2
Availability of size 16"-24"	3	4	3
Minimum quantity requirements	3	5	1
Payment terms	2	6	1
Technical support/service	2	4	3
Product range	1	7	1
Packaging	---	5	4

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

### Supplier certification

Twenty-four of 40 responding purchasers require their suppliers to become certified or qualified to sell LDWP to their firm. The majority of responding purchasers (18 of 24) indicated that the qualification process does not differ depending on the type of LDWP (line pipe versus structural pipe), the grade of pipe ordered, or the nature of the project. Twenty-one purchasers reported that they require a producer's mill to become certified or qualified, 18 require the product itself to become certified or qualified; and 11 require the upstream raw material producers to become certified or qualified. Nine purchasers reported other factors they examine in the qualification process, including insurance and fiscal stability, quality certifications, presence of a coating mill, the mill's overall capacity, placement on Approved Manufacturer and Supplier lists for other end users, the mill's quality control system, and personnel qualifications. Several purchasers reported that they conduct an internal mill audit before qualifying a supplier. Most purchasers reported that the time to qualify a new supplier ranged from 30 to 120 days.

Four of 35 responding purchasers reported that Hyundai Pipe in Korea lost its API certification since January 1, 2015 and therefore, these purchasers have suspended purchases of LDW line pipe from this firm. One purchaser reported that Welspun had failed in its attempt to qualify LDW line pipe or had lost its approved status since January 1, 2015. Three purchasers

indicated that a supplier had failed in its attempt to qualify LDW line pipe, or had lost its approved status since January 1, 2015 but did not identify the mill. One of 24 responding purchasers reported that Chinese producers had failed in their attempt to qualify LDW structural pipe or had lost their approved status since January 1, 2015 due to management changes.

### Changes in purchasing patterns

A plurality of purchasers reported that their purchases from domestic producers fluctuated since January 1, 2015 (table II-10). Most commonly cited explanations for fluctuating purchases of domestic product were the level of construction activity and fluctuations in projects. Purchaser \*\*\* stated that its purchases are for specific capital projects and therefore, its purchases fluctuate each year depending on the engineering requirements, and the quantity, size, and location of specific projects. Ten of 37 responding purchasers reported that their purchases from domestic producers increased. Explanations for increasing purchases of domestic LDWP included shorter lead times and an overall increase in pipeline projects. A plurality of purchasers reported that their purchases from Canada increased since January 1, 2015. Explanations for increasing purchases of Canadian LDWP included quality, pricing, lead times, and logistics equivalent to that of domestic mills, product availability, most experienced mill in North America for production of LD spiral welded pipe, and minimal schedule risk compared to overseas suppliers. A plurality of purchasers reported that their purchases from China, India, and Korea decreased since January 1, 2015. Explanations for decreasing purchases of LDWP from China, India, and Korea included a one-time purchase, not meeting schedule requirements, and customer preference. Three purchasers reported that they reduced purchases of LDWP from China because of customers' preference and a general lack of market acceptability. A plurality of purchasers reported that their purchases from Greece and Turkey fluctuated since January 1, 2015. Explanations for fluctuating purchases of LDWP from Greece and Turkey were purchases for a specific project; three purchasers reported that for these projects, domestic mills did not produce the grade of pipe required by the project.

**Table II-10**  
**LDWP: Changes in purchase patterns from U.S., subject, and nonsubject countries**

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	5	6	10	10	11
Canada	21	1	7	3	6
China	24	7	3	1	1
Greece	27	4	1	---	6
India	32	4	---	1	2
Korea	11	8	6	6	7
Turkey	34	1	---	---	3
All other sources	11	4	4	5	13
Sources unknown	23	3	1	---	4

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

Thirteen of 43 responding purchasers reported that they had changed suppliers since January 1, 2015. Specifically, firms dropped or reduced purchases from Maruichi Pipe, Daewoo, Ziking (China), and Baosteel because of quality concerns. Firms added or increased purchases from Axis Pipe, Borusan, Corpac, Dura-Bond, Evraz, Jindal Tubular, SEAH, JSW, Pipe Exchange, and Welspun because of qualifications and the ability to diversify sources of supply.

### **Importance of purchasing domestic product<sup>27</sup>**

Thirty-six of 41 responding purchasers reported that most or all of their purchases did not require purchasing U.S.-produced LDWP (representing 81.5 percent of total purchases in 2017). Fifteen reported that domestic product was required by law (representing 1.9 percent of total purchases in 2017), 12 reported that it was required by their customers (representing 2.8 percent of total purchases in 2017), and 7 reported other preferences for domestic product. Reasons cited for preferring domestic product included: customer preference, company policy, shorter delivery times, and lower shipping costs.

### **Comparisons of domestic products, subject imports, and nonsubject imports**

Purchasers were asked a number of questions comparing LDWP produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 20 factors (table II-11) for which they were asked to rate the importance.

The majority of purchasers reported that U.S. LDWP and LDWP from Canada and Turkey were comparable on all factors. Most purchasers reported that U.S. LDWP and LDWP from China, India, and Greece were comparable on most factors except for price (for which most purchasers rated LDWP from China, Greece, India, and Korea lower-priced than U.S. product), delivery time (for which most purchasers rated domestic LDWP as superior to LDWP from China, India, and Korea) product consistency and reliability of supply (for which purchasers were split with four rating domestic product as superior to LDWP from India and four rating the products as comparable).

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<sup>27</sup> In his January 24, 2017 memorandum, President Trump directed the Secretary of Commerce to develop a plan to require domestic sourcing of materials for the construction, retrofitting, repair, and expansion of pipelines inside the United States by July 23, 2017. "Department of Commerce Seeks Input on Pipelines Made in America," Department of Commerce, March 16, 2017, <https://www.commerce.gov/news/press-releases/2017/03/department-commerce-seeks-input-pipelines-made-america>. However, Commerce has yet to release any details of such plan and the status of the "Buy American" pipelines proposal is unclear. In questionnaire responses, purchasers did not identify the proposal as a reason for its purchasing decision.

**Table II-11**  
**LDWP: Purchasers' comparisons between U.S.-produced and imported LDWP**

Factor	Number of firms reporting								
	United States vs. Canada			United States vs. China			United States vs. Greece		
	S	C	I	S	C	I	S	C	I
Availability	2	20	2	5	8	2	3	8	2
Availability of size 16"-24"	5	15	3	1	9	3	4	7	2
Availability of size > 24"	3	16	4	1	10	4	4	6	3
Delivery terms	1	23	0	5	9	1	1	12	0
Delivery time	4	17	3	7	3	5	6	7	0
Discounts offered	2	19	2	2	8	5	0	11	1
Minimum quantity requirements	0	23	1	1	11	3	0	11	1
Packaging	0	24	0	0	13	1	0	13	0
Payment terms	0	23	1	5	9	1	1	11	1
Price <sup>1</sup>	4	16	4	2	5	8	1	5	7
Product consistency	0	24	0	4	11	0	2	11	0
Product range	4	19	1	0	12	3	0	13	0
Producer available capacity	3	19	2	1	10	4	4	7	2
Project specification	2	22	0	3	11	1	1	11	1
Quality meets industry standards	0	24	0	3	12	0	1	11	1
Quality exceeds industry standards	0	24	0	4	10	1	1	11	1
Reliability of supply	2	21	1	4	10	1	4	8	1
Technical support/service	0	24	0	5	10	0	1	12	0
Total installation costs	0	21	3	4	10	1	2	8	3
U.S. transportation costs <sup>1</sup>	2	18	3	2	9	4	1	10	2

Table continued on next page.

**Table II-11 –Continued**  
**LDWP: Purchasers' comparisons between U.S.-produced and imported LDWP**

Factor	Number of firms reporting								
	United States vs. India			United States vs. Korea Hyundai and Husteel			United States vs. Korea Other firms		
	S	C	I	S	C	I	S	C	I
Availability	2	6	0	8	8	2	9	8	1
Availability of size 16"-24"	2	5	1	7	8	3	7	9	2
Availability of size > 24"	2	6	0	6	9	3	6	10	2
Delivery terms	3	5	0	5	12	0	6	12	0
Delivery time	5	3	0	8	6	3	9	6	3
Discounts offered	0	6	2	1	14	2	0	15	2
Minimum quantity requirements	0	7	1	3	10	4	0	13	4
Packaging	0	8	0	3	13	1	0	16	1
Payment terms	1	7	0	1	16	0	1	16	0
Price <sup>1</sup>	0	4	5	2	4	12	1	4	14
Product consistency	4	4	0	2	15	1	1	16	1
Product range	0	8	0	4	11	3	1	14	3
Producer available capacity	1	6	1	3	11	3	2	12	4
Project specification	2	6	0	5	10	1	2	15	1
Quality meets industry standards	2	6	0	2	13	1	0	18	0
Quality exceeds industry standards	3	5	0	3	12	1	1	16	1
Reliability of supply	4	4	0	3	11	2	4	13	1
Technical support/service	3	5	0	3	12	1	0	18	0
Total installation costs	0	8	1	1	13	3	0	15	4
U.S. transportation costs <sup>1</sup>	1	7	1	1	16	0	1	17	1

Table continued on next page.



**Table II-11 –Continued**  
**LDWP: Purchasers’ comparisons between U.S.-produced and imported LDWP**

Factor	Number of firms reporting					
	United States vs. Turkey			United States vs. All other sources		
	S	C	I	S	C	I
Availability	1	7	1	2	7	2
Availability of size 16"-24"	2	6	0	1	8	2
Availability of size > 24"	0	8	1	0	8	3
Delivery terms	2	7	0	2	8	1
Delivery time	3	5	1	2	7	2
Discounts offered	0	7	2	0	10	1
Minimum quantity requirements	0	9	0	0	10	1
Packaging	0	9	0	0	10	1
Payment terms	1	8	0	0	10	1
Price <sup>1</sup>	1	6	3	1	4	6
Product consistency	0	9	0	0	10	1
Product range	0	9	0	0	10	1
Producer available capacity	0	9	0	0	10	1
Project specification	0	8	1	0	10	1
Quality meets industry standards	0	9	0	0	10	1
Quality exceeds industry standards	1	7	1	0	10	1
Reliability of supply	1	8	0	2	8	1
Technical support/service	1	8	0	1	9	1
Total installation costs	0	10	0	1	9	1
U.S. transportation costs <sup>1</sup>	1	9	0	1	9	1

<sup>1</sup> A rating of superior means that price/U.S. transportation cost 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 LDWP

In order to determine whether U.S.-produced LDWP can generally be used in the same applications as imports from Canada, China, Greece, India, Korea, and Turkey, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-12, the majority of U.S. producers reported that domestic product and LDWP from subject countries was always interchangeable. U.S. producer \*\*\* stated that \*\*\* produces LDWP with wall thicknesses as well as lengths of LSAW products that are not produced in the United States.

Importers' responses varied by country comparison. A plurality of importers indicated that domestic LDWP and LDWP from Canada, Greece, and Turkey was always interchangeable. A plurality of importers reported that domestic product and LDWP from China and India was sometimes interchangeable. Importer \*\*\* stated that LDWP from China and India had inferior quality. Importer \*\*\* also stated that domestic LDWP is only sometimes interchangeable with LDWP from China or India and noted that certain projects require domestically produced LDWP or LDWP supplied by a qualified LDWP manufacturer. Responses were mixed when comparing domestic product and LDWP from Korea; ten importers reported that the products were always interchangeable, six importers reported that they were frequently interchangeable, and eight reported that they were sometimes interchangeable. Importer \*\*\* reported that U.S. manufacturers do not produce the products it imports from Korea such as heavy wall conductor pipes in grades through X80 up to 2" thick, heat treated process pipes in ASTM A671 and A672 standards for processing and LNG plants, and heavy wall structural pipes per API-2B grades up to 4" thick for fabrication in offshore oil and gas as well as civil construction projects.

Similarly, purchasers' responses varied by country comparison.<sup>28</sup> Most purchasers indicated that domestic LDWP and imported LDWP from Canada was always interchangeable and a plurality of purchasers indicated that domestic LDWP and imported LDWP from Greece was always interchangeable. A plurality of purchasers indicated that domestic LDWP and LDWP from China, Korea and Turkey was frequently interchangeable. A plurality of purchasers reported that domestic product and LDWP from India was sometimes interchangeable.

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<sup>28</sup> In contrast to the general group of LDWP purchasers, the limited number of responding purchasers that purchased a majority of LDW structural pipe reported more often that U.S.-produced LDWP is always interchangeable with LDWP from subject and nonsubject sources.

**Table II-12**  
**LDWP: Interchangeability between LDWP produced in the United States and in other countries, by country pair**

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Canada	14	---	1	---	11	3	4	---	17	8	4	---
United States vs. China	14	---	1	---	7	3	9	1	4	7	5	3
United States vs. Greece	12	---	1	---	8	2	5	---	7	6	5	---
United States vs. India	12	1	2	---	7	1	8	---	5	3	7	1
United States vs. Korea	14	---	1	---	11	6	9	2	6	12	7	---
United States vs. Turkey	13	---	1	---	8	4	4	---	4	6	4	---
Canada vs. China	12	---	1	---	6	2	7	---	3	3	2	1
Canada vs. Greece	11	---	1	---	7	2	3	---	6	5	3	---
Canada vs. India	11	1	1	---	7	1	6	---	4	2	5	---
Canada vs. Korea	12	---	1	---	9	5	6	---	5	6	4	---
Canada vs. Turkey	11	---	1	---	6	4	4	---	4	4	3	---
China vs. Greece	11	---	1	---	6	1	5	---	3	1	2	1
China vs. India	11	1	1	---	7	1	6	---	3	1	2	---
China vs. Korea	12	---	1	---	9	3	6	1	4	2	3	1
China vs. Turkey	11	---	1	---	6	2	4	---	3	1	1	---
Greece vs. India	11	---	1	---	6	1	7	---	4	1	5	---
Greece vs. Korea	11	---	1	---	8	4	5	---	4	4	5	---
Greece vs. Turkey	11	---	1	---	6	4	4	---	3	3	3	---
India vs. Korea	12	---	1	---	9	2	6	---	5	2	4	---
India vs. Turkey	11	---	1	---	6	2	5	---	3	2	3	1
Korea vs. Turkey	11	---	1	---	6	3	5	---	3	2	5	---
United States vs. Other	11	1	2	---	4	4	8	2	3	8	6	---
Canada vs. Other	11	1	1	---	4	4	5	---	2	4	6	---
China vs. Other	11	1	1	---	4	3	5	---	2	1	3	---
Greece vs. Other	11	---	1	---	4	3	5	---	2	3	5	---
India vs. Other	11	1	1	---	4	3	6	---	2	1	6	---
Korea vs. Other	11	1	1	---	5	3	7	---	3	3	5	---
Turkey vs. Other	11	---	1	---	4	3	5	---	3	1	4	---

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

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

As can be seen from table II-13, the majority of responding purchasers reported that domestically produced LDWP always or usually met minimum quality specifications. Most responding purchasers reported that LDWP from Canada, China, Greece, India, Korea, and Turkey always or usually met minimum quality specifications.

**Table II-13**  
**LDWP: Ability to meet minimum quality specifications, by source<sup>1</sup>**

Source of purchases	Always	Usually	Sometimes	Rarely or never
United States	19	20	1	1
Canada	10	13	2	---
China	5	9	2	2
Greece	4	10	1	---
India	2	9	5	1
Korea	12	10	3	1
Turkey	3	9	2	---
Other	7	7	1	---

<sup>1</sup> Purchasers were asked how often domestically produced or imported LDWP meets minimum quality specifications for their own or their customers' uses.

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

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of LDWP from the United States, subject, or nonsubject countries. As seen in table II-14, when comparing domestic LDWP to that imported from subject countries, the majority of U.S. producers and a plurality of importers reported that differences other than price were never a factor. Purchasers' responses were varied.<sup>29</sup> A plurality of purchasers reported that differences other than price were never a factor in their firms' purchases when comparing LDWP produced in the United States and LDWP from Canada. Ten purchasers reported that differences other than price were always or frequently a factor when comparing domestic LDWP and LDWP from China and nine purchases reported that these differences were sometimes or never a factor. When comparing LDWP produced domestically and LDWP imported from Greece, ten purchasers reported that differences other than price were always or frequently a factor and eight purchasers reported that they were sometimes or never a factor in their firms' purchases. When comparing U.S.-produced LDWP and LDWP from India and Korea, a plurality of purchasers reported that factors other than price were sometimes a factor in their firms' purchases. When comparing domestic LDWP and LDWP from Turkey, a plurality of purchasers reported that factors other than price were always a factor in their firms' purchases.

Several purchasers cited quality, availability, lead time, technical support, product range, and technical specifications as important non-price factors, without specifying which country/mills generally perform better on those factors. More specifically, purchaser \*\*\* stated that Canadian suppliers have better availability than suppliers from the United States, and Greek suppliers have better quality and availability than product produced in the United States. Purchaser \*\*\* stated that it prefers to purchase from domestic, Canadian, and Mexican sources because it prefers to transport pipe over land only. Purchaser \*\*\* stated that when comparing domestic LDWP and LDWP from Korea, availability is the most important factor when

<sup>29</sup> In contrast to the general group of LDWP purchasers, the limited number of responding purchasers that purchased a majority of LDW structural pipe reported more often that non-price factors are never a factor in their firms' purchases when comparing domestic and imported LDWP.

evaluating a Korean source for LDWP. Several purchasers noted that purchasing decisions were not based on the country of origin, but whether a specific manufacturer had the capacity and ability to produce pipe that met technical specifications. Specifically, purchaser \*\*\* stated that “[a] mill that cannot meet our technical specifications, quality expectations, dimensional requirements, or delivery schedule will not be selected for award, regardless of price. \*\*\* purchases LDWP line pipe based on mill capability to suit our particular technical, project-specific needs, not country of origin.”

**Table II-14**  
**LDWP: Significance of differences other than price between LDWP produced in the United States and in other countries, by country pair**

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Canada	1	---	5	9	2	1	5	9	7	4	6	9
United States vs. China	1	---	5	9	2	5	5	8	5	5	4	5
United States vs. Greece	1	---	5	7	3	1	5	5	6	4	6	2
United States vs. India	1	1	5	7	2	4	4	6	5	2	5	4
United States vs. Korea	1	---	5	9	5	8	6	9	7	5	9	4
United States vs. Turkey	1	---	5	7	4	1	5	6	5	3	2	3
Canada vs. China	1	---	4	7	2	1	4	7	3	1	1	3
Canada vs. Greece	1	---	4	6	2	1	5	4	5	3	3	2
Canada vs. India	1	---	4	7	2	1	5	6	4	1	3	2
Canada vs. Korea	1	---	4	7	3	3	7	8	4	2	4	2
Canada vs. Turkey	1	---	4	6	3	1	5	5	4	2	1	2
China vs. Greece	1	---	4	6	1	1	4	5	2	2	---	2
China vs. India	1	---	4	7	1	2	5	6	2	2	---	2
China vs. Korea	1	---	4	7	4	2	6	7	3	2	1	2
China vs. Turkey	1	---	4	6	1	2	4	5	2	1	---	2
Greece vs. India	1	---	4	6	2	2	4	6	4	2	2	2
Greece vs. Korea	1	---	4	6	2	4	5	7	3	3	3	2
Greece vs. Turkey	1	---	4	6	2	2	4	5	4	2	---	2
India vs. Korea	1	---	4	6	3	3	5	6	3	2	2	2
India vs. Turkey	1	---	4	6	2	2	4	5	4	1	---	2
Korea vs. Turkey	1	---	4	6	1	4	4	5	3	2	1	2
United States vs. Other	1	1	5	7	4	4	3	5	7	3	7	2
Canada vs. Other	1	---	4	7	2	1	3	6	4	2	4	2
China vs. Other	1	---	4	7	1	1	3	6	2	2	1	1
Greece vs. Other	1	---	4	6	2	---	4	5	4	2	3	1
India vs. Other	1	---	4	7	2	---	4	6	4	2	3	1
Korea vs. Other	1	---	4	7	2	2	3	6	4	2	4	1
Turkey vs. Other	1	---	4	6	3	1	2	6	4	3	2	1

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

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

## **ELASTICITY ESTIMATES**

This section discusses elasticity estimates; parties were encouraged to comment on these estimates in their prehearing or posthearing brief; none suggested any revisions.

### **U.S. supply elasticity**

The domestic supply elasticity<sup>30</sup> for LDWP measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of LDWP. 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 LDWP. Analysis of these factors above indicates that the U.S. industry has the ability to greatly 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 LDWP measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of LDWP. 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 LDWP in the production of any downstream products. As noted earlier, there are few, if any, substitutes for LDWP. In addition, the cost component of LDWP is likely relatively small, though still important share of the total cost of an oil and gas transmission project. Based on the available information, the aggregate demand for LDWP is likely to be inelastic; a range of -0.25 to -.50 is suggested.

### **Substitution elasticity**

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.<sup>31</sup> 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 elasticity of substitution between U.S.-produced LDWP and imported LDWP is likely to be in the range of 3 to 5.

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<sup>30</sup> A supply function is not defined in the case of a non-competitive market.

<sup>31</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of 15 firms that accounted for the vast majority of U.S. production of large diameter welded pipes during 2017.

### **U.S. PRODUCERS**

The Commission issued a U.S. producer questionnaire to 23 firms based on information contained in the petition, information provided by the respondents, and staff research.<sup>1</sup> Fifteen firms provided usable data on their productive operations.<sup>2</sup> Table III-1 lists U.S. producers of LDWP, their production locations, positions on the petition, and shares of total production.

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<sup>1</sup> The petition identified numerous pipe producers, including API 5L-certified mills producing welded and seamless line pipe greater than and less than 16 inches in outside diameter, as well as certain mills without API 5L certification producing tubular products other than line pipe. Petition, exhibits 1 (petitioners) and 2 (non-petitioning mills). This broad listing of potential LDWP producers did not include any mills producing stainless steel LDWP. Staff surveyed firms previously identified as producers of welded stainless steel pressure pipe and issued questionnaires to firms that indicated that they might produce tubular products within the broad parameters of the scope.

<sup>2</sup> \*\*\* and \*\*\* submitted incomplete U.S. producer questionnaires with limited and inconsistent trade data and therefore are not included in this section of the report. \*\*\* reported approximately \*\*\* short tons of ERW production of LDW line pipe in 2017 with outside diameters greater than 16 inches and less than or equal to 24 inches, as well as approximately \*\*\* short tons of ERW production of LDW structural pipe in 2017 with outside diameters greater than 16 inches and less than or equal to 24 inches. \*\*\* reported HSAW production of approximately \*\*\* short tons of stainless steel LDW structural pipe in 2017 on pipe mills capable of producing pipe up to 96 inches in outside diameter. These two firms' combined production levels are equivalent to less than 3 percent of reported production in 2017.

**Table III-1**

**LDWP: U.S. producers, their positions on the petition, production locations, capacities, and shares of reported production, 2017**

Firm	Position on petition	Production location(s)	Production Type	Share of production (percent)	Max. Diameter	Max. Capacity	Max. Wall Thickness
ACIPCO <sup>2 3</sup>	Petitioner	Birmingham, AL	ERW	***	***	***	***
		Birmingham, AL	ERW				
Atlas <sup>2</sup>	***	Chicago, IL	ERW	***	***	***	***
Berg <sup>2 3</sup>	Petitioner	Panama City, FL	LSAW	***	***	***	***
		Mobile, AL	HSAW				
Bristol <sup>1</sup>	***	Bristol, TN	LSAW	***	***	***	***
Dura-Bond <sup>2 3</sup>	Petitioner	Steelton, PA	LSAW	***	***	***	***
		McKeesport, PA	ERW				
Evraz <sup>2 3</sup>	***	Portland, OR	HSAW	***	***	***	***
Felker <sup>1</sup>	***	Glasgow, KY	LSAW	***	***	***	***
Greens Bayou <sup>2</sup>	Petitioner	Houston, TX	LSAW	***	***	***	***
Jindal <sup>2 3</sup>	***	Bay St. Louis, MS	HSAW	***	***	***	***
JSW <sup>2 3</sup>	Petitioner	Baytown, TX	LSAW	***	***	***	***
Primus <sup>1 2</sup>	***	Wildwood, FL	HSAW	***	***	***	***
Skyline <sup>2</sup>	Petitioner	Luka, MS	HSAW & ERW	***	***	***	***
		Morrisville, PA	HSAW & LSAW				
		Camp Hill, PA	HSAW				
		Newton, IL	HSAW				
		Longview, WA	HSAW & LSAW				
Stupp <sup>2 3</sup>	Petitioner	Baton Rouge, LA	ERW	***	***	***	***
		Baton Rouge, LA	HSAW				
Trinity <sup>2</sup>	Petitioner	Saint Charles, MO	HSAW	***	***	***	***
Welspun <sup>3</sup>	***	Little Rock, AR	HSAW	***	***	***	***
		Little Rock, AR	ERW				
Total				100.0			

<sup>1</sup> Firm produces stainless steel LDWP.

<sup>2</sup> Firm produces non-stainless steel LDW structural pipe.

<sup>3</sup> Firm produces non-stainless steel LDW line pipe.

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



Table III-2 presents information on U.S. producers' ownership, and related/affiliated firms of LDWP. U.S. producers \*\*\*, \*\*\*, \*\*\*, and \*\*\* are related to foreign producers of the LDWP. In addition, as discussed in greater detail below, four U.S. producers are related to U.S. importers and/or to exporters. An additional U.S. producer, \*\*\*, did not report a relationship with an importer or exporter, but is an importer itself.

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

\* \* \* \* \*

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2015. In aggregate, the following operation changes were reported: one plant opening; two plant closures; five expansions; one acquisition, twelve prolonged shutdowns,<sup>3</sup> and two revised labor agreements.

Numerous domestic producers have made or intend to make investments in their facilities which directly and indirectly has expanded their production capability. ACIPCO invested in a new \$70 million facility to enable the firm to double its production capacity.<sup>4</sup> Also, JSW plans to invest one billion dollars into its Texas and Ohio manufacturing facilities. These investments will enable JSW to increase production of X70 plate for large diameter pipe production; in addition, it will allow JSW to produce pipe plate grades in X80 through X100 and will create an additional 1,000 U.S. jobs and will increase production of the highest quality steel plate and coil for use in large diameter welded pipe.<sup>5</sup>

**Table III-3**  
**LDWP: U.S. producers' reported changes in operations, since January 1, 2015**

\* \* \* \* \*

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<sup>3</sup> \*\*\* reported \*\*\*. Among the largest producers of LDWP, only \*\*\*.

<sup>4</sup> Hearing transcript, p. 43 (Noland).

<sup>5</sup> Hearing transcript, p. 55 (Hendricks).

## U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

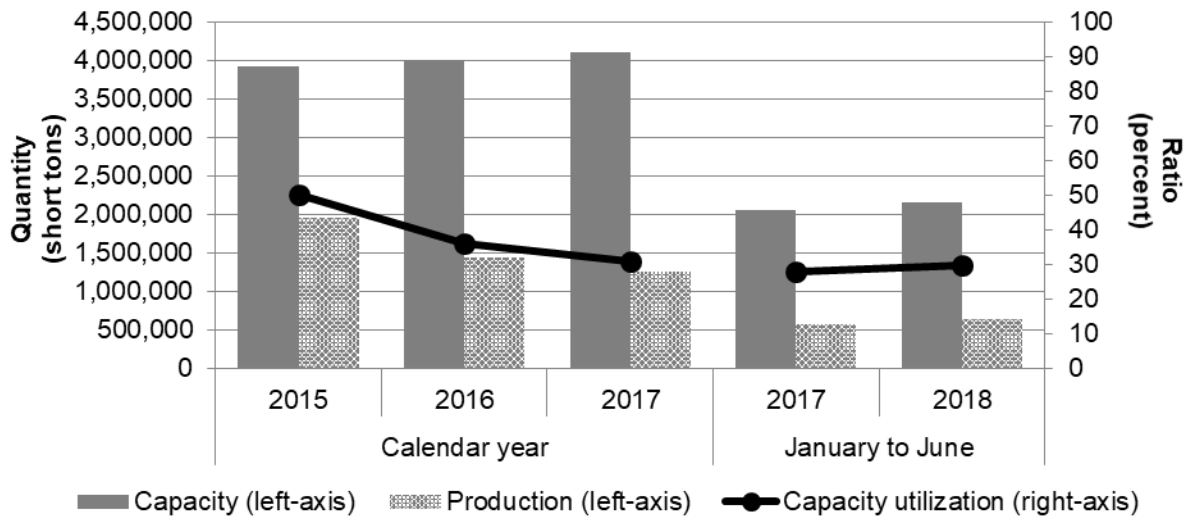
Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. From 2015 to 2017, U.S. producers' capacity decreased by less than 1 percent, production decreased by 35.6 percent, and capacity utilization decreased by 17.6 percentage points. Production in January to June 2018 was 11.8 percent higher than the same period in 2017, while capacity was 0.9 percent higher, contributing to modestly higher capacity utilization.

**Table III-4**  
**LDWP: U.S. producers' production, capacity, and capacity utilization, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
<b>Capacity (short tons)</b>					
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total capacity	3,911,962	4,008,312	3,886,062	1,943,031	1,959,698
<b>Production (short tons)</b>					
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total production	1,956,400	1,437,418	1,259,929	574,037	641,763
<b>Capacity utilization (percent)</b>					
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average capacity utilization	50.0	35.9	32.4	29.5	32.7

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

**Figure III-1**  
**LDWP: U.S. producers' production, capacity, and capacity utilization, 2015-17, January to June 2017, and January to June 2018**



**LDW line pipe**

As shown in table III-5, \*\*\* percent of the product produced on line pipe production lines in 2017 by U.S. producers was LDW line pipe. Eight firms reported producing LDW line pipe.

**Table III-5**  
**LDW line pipe: U.S. producers' overall plant capacity and production on the same equipment, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
Overall capacity	3,830,762	4,076,762	3,937,762	1,968,881	1,985,548
Production:					
LDW line pipe	1,748,554	1,231,902	1,039,228	459,448	532,140
Other products.-- LDW structural pipe	120,362	126,782	145,211	73,315	70,300
Out-of-scope products	83,193	50,066	81,414	45,483	68,018
Products other than LDW line pipe	203,555	176,848	226,625	118,798	138,318
Total production on same machinery	1,952,109	1,408,750	1,265,853	578,246	670,458
	<b>Ratios and shares (percent)</b>				
Overall capacity utilization	51.0	34.6	32.1	29.4	33.8
Share of production:					
LDW line pipe	89.6	87.4	82.1	79.5	79.4
Other products.-- LDW structural pipe	6.2	9.0	11.5	12.7	10.5
Out-of-scope products	4.3	3.6	6.4	7.9	10.1
Products other than LDW line pipe	10.4	12.6	17.9	20.5	20.6
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

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

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

### LDW structural pipe

As shown in table III-6, \*\*\* percent of the product produced on structural pipe production lines during 2017 by U.S. producers was LDW structural pipe. Fourteen firms reported producing LDW structural pipe.

**Table III-6**

**LDW structural pipe: U.S. producers' overall plant capacity and production on the same equipment, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
Overall capacity	3,828,618	4,074,918	3,936,518	1,968,259	1,984,926
Production:					
LDW structural pipe	207,846	205,516	220,701	114,589	109,623
Other products.-- LDW line pipe	1,413,427	980,961	838,198	391,483	410,608
Out-of-scope products	224,520	193,396	210,626	116,037	128,614
Products other than LDW structural pipe	1,637,947	1,174,357	1,048,824	507,520	539,222
Total production on same machinery	1,845,793	1,379,873	1,269,525	622,109	648,845
	<b>Ratios and shares (percent)</b>				
Overall capacity utilization	48.2	33.9	32.2	31.6	32.7
Share of production:					
LDW structural pipe	11.3	14.9	17.4	18.4	16.9
Other products produced on same machinery as LDW structural pipe.-- LDW line pipe	76.6	71.1	66.0	62.9	63.3
Out-of-scope products	12.2	14.0	16.6	18.7	19.8
Products other than LDW structural pipe	88.7	85.1	82.6	81.6	83.1
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

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

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

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

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. producers' U.S. shipments consistently accounted for the overwhelming majority of all shipments. From 2015 to 2017, U.S. shipments decreased by both quantity and value, by 28.5 percent and 34.2 percent, respectively. The unit value for U.S. producers' U.S. shipments fluctuated with a net decline of \$90 per short ton between 2015 and 2017. U.S. shipments were marginally higher by quantity in January to June 2018 than in January to June 2017, with higher average unit values and overall values.

Table III-7

LDWP: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
U.S. shipments	1,783,321	1,523,068	1,275,313	569,800	576,756
Export shipments	49,714	1,814	19,368	18,674	1,070
Total shipments	1,833,035	1,524,882	1,294,681	588,474	577,826
	<b>Value (1,000 dollars)</b>				
U.S. shipments	2,029,917	1,544,426	1,336,431	583,416	679,658
Export shipments	59,672	2,655	21,951	20,254	1,560
Total shipments	2,089,589	1,547,081	1,358,382	603,670	681,218
	<b>Unit value (dollars per short ton)</b>				
U.S. shipments	1,138	1,014	1,048	1,024	1,178
Export shipments	1,200	1,464	1,133	1,085	1,458
Total shipments	1,140	1,015	1,049	1,026	1,179
	<b>Share of quantity (percent)</b>				
U.S. shipments	97.3	99.9	98.5	96.8	99.8
Export shipments	2.7	0.1	1.5	3.2	0.2
Total shipments	100.0	100.0	100.0	100.0	100.0
	<b>Share of value (percent)</b>				
U.S. shipments	97.1	99.8	98.4	96.6	99.8
Export shipments	2.9	0.2	1.6	3.4	0.2
Total shipments	100.0	100.0	100.0	100.0	100.0

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

### U.S. PRODUCERS' INVENTORIES

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. From 2015 to 2017, end-of-period inventories decreased by 46.0 percent. The ratio of inventories to production, U.S. shipments, and total shipments each decreased from 2015 to 2017. U.S. producers' inventories, by all measures, were higher in January-June 2018 than in January-June 2017.

**Table III-8**  
**LDWP: U.S. producers' inventories, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
U.S. producers' end-of-period inventories	265,713	178,182	143,436	163,741	207,361
	<b>Ratio (percent)</b>				
Ratio of inventories to.-- U.S. production	13.6	12.4	11.4	14.3	16.2
U.S. shipments	14.9	11.7	11.2	14.4	18.0
Total shipments	14.5	11.7	11.1	13.9	17.9

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

### U.S. PRODUCERS' IMPORTS AND PURCHASES

Table III-9 presents information on U.S. producers' imports and purchases of LDWP. Four U.S. producers reported directly importing LDWP. \*\*\* imported LDWP from a country, \*\*\*. No U.S. producer reported purchasing LDWP from U.S. importers.

**Table III-9**  
**LDWP: U.S. producers' U.S. production, imports and purchases, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

### U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-10 presents U.S. producers' employment related data. The number of production and related workers declined in 2016 and 2017, and was lower in January-June 2018 than in January-June 2017. Hours worked and wages paid also declined in 2016 and 2017, but were higher in January-June 2018 than in January-June 2017. Unit labor costs fluctuated between 2015 and 2017, as falling wage rates partially offset declining productivity. Unit labor costs were lower in January-June 2018 than in January-June 2017, reflecting lower hourly wages and higher productivity.

**Table III-10****LDWP: U.S. producers' employment related data, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
Production and related workers (PRWs) (number)	3,275	2,651	2,372	2,138	2,049
Total hours worked (1,000 hours)	6,959	5,415	4,821	2,242	2,440
Hours worked per PRW (hours)	2,125	2,043	2,032	1,049	1,191
Wages paid (\$1,000)	191,432	148,645	127,191	64,719	65,120
Hourly wages (dollars per hour)	\$27.51	\$27.45	\$26.38	\$28.87	\$26.69
Productivity (short tons per 1,000 hours)	281.1	265.5	261.3	256.0	263.0
Unit labor costs (dollars per short ton)	\$97.85	\$103.41	\$100.95	\$112.74	\$101.47

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



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

### **U.S. IMPORTERS**

The Commission issued importer questionnaires to 60 firms believed to be importers of LDWP, as well as to all U.S. producers of LDWP.<sup>1</sup> Usable questionnaire responses were received from 35 companies,<sup>2</sup> representing \*\*\* U.S. imports from Canada, \*\*\* percent of U.S. imports from China, \*\*\* percent of U.S. imports from Greece, \*\*\* percent of U.S. imports from India, \*\*\* percent of U.S. imports from subject sources in Korea, and \*\*\* percent of U.S. imports from subject sources in Turkey for 2017. The 35 questionnaire responses represented nearly 90 percent of U.S. imports from the combined subject sources (including nearly 90 percent of LDW line pipe from combined subject sources, and nearly 60 percent of LDW structural pipe from combined subject sources), more than two-thirds of U.S. imports from nonsubject sources (including more than three quarters of LDW line pipe from nonsubject sources, and zero of LDW structural pipe from nonsubject sources), and more than 80 percent of U.S. imports from all sources during 2017 (including more than 90 percent of LDW line pipe from all sources, and more than 40 percent of LDW structural pipe from all sources). Import data in this report are based on official Commerce import statistics and \*\*\*, which provide greater coverage than questionnaire responses alone.<sup>3</sup> Table IV-1 lists all responding U.S. importers of LDWP from Canada, China, Greece, India, Korea, Turkey, and other sources, their locations, and their shares of U.S. imports, in 2017.

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<sup>1</sup> The Commission issued questionnaires to those firms identified in the petitions, along with firms that, based on a review of data provided by U.S. Customs and Border Protection (“Customs”), may have accounted for more than one percent of total imports under HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000.

<sup>2</sup> Ten firms indicated that they had not imported LDWP at any time since January 1, 2015.

<sup>3</sup> The coverage estimates presented are from official U.S. import statistics and \*\*\* (to identify Korea subject vs nonsubject official data). \*\*\* were used to identify Korea subject vs nonsubject import data. In the preliminary phase of these investigations, all merchandise from Korea was considered to be subject because despite there being an existing antidumping duty order on welded line pipe with an outer diameter up to 24 inches from Korea, there was no equivalent, existing countervailing duty order. In the final phase of these investigations, since Commerce has found preliminarily that foreign producers Hyundai and Husteel in Korea had de minimis countervailing duty margins, imports of welded line pipe from these two suppliers in Korea are considered to be nonsubject suppliers in Korea for imports of line pipe under the 24 inch outer diameter threshold. Separately, consistent with the preliminary phase of these investigations, line pipe under 24 inches in outer diameter from all suppliers in Turkey is considered in these investigations to be nonsubject as there are existing antidumping and countervailing duty orders in place on that merchandise.

**Table IV-1**  
**LDWP: U.S. importers, their headquarters, and share of U.S. imports by source, 2017**

Firm	Headquarters	Share of imports by source (percent)				
		Canada	China	Greece	India	Korea subject
Ace	Englewood Cliffs, NJ	***	***	***	***	***
Amer Pipe	Chesterfield, MO	***	***	***	***	***
Athamor	Houston, TX	***	***	***	***	***
Bechtel	Houston, TX	***	***	***	***	***
Berg	Mobile, AL	***	***	***	***	***
Borusan	Istanbul,	***	***	***	***	***
C&F	Houston, TX	***	***	***	***	***
Champions	Houston, TX	***	***	***	***	***
CMC	Irving, TX	***	***	***	***	***
Corpac	Aventura, FL	***	***	***	***	***
CPW	Houston, TX	***	***	***	***	***
Edgen Murray	Houston, TX	***	***	***	***	***
EEW Steel	Houston, TX	***	***	***	***	***
Evraz	Regina And Camrose, AB	***	***	***	***	***
Fortis	Houston, TX	***	***	***	***	***
Husteel	Houston, TX	***	***	***	***	***
Kinder	Houston, TX	***	***	***	***	***
Kurt Orban	Burlingame, CA	***	***	***	***	***
Kurvers	Houston, TX	***	***	***	***	***
MC Tubular	Houston, TX	***	***	***	***	***
MS Global	Cerritos, CA	***	***	***	***	***
Optima	Concord, CA	***	***	***	***	***
Oryx	Midland, TX	***	***	***	***	***
POSCO Daewoo	Teaneck, NJ	***	***	***	***	***
Rushmore	Baytown, TX	***	***	***	***	***
Salzgitter	Houston, TX	***	***	***	***	***
SeAH	Irvine, CA	***	***	***	***	***
Skyline	Parsippany, NJ	***	***	***	***	***
Stemcor	New York, NY	***	***	***	***	***
Sumitomo	Houston, TX	***	***	***	***	***
Sunbelt	Houston, TX	***	***	***	***	***
Tata	Schaumburg, IL	***	***	***	***	***
Traxys	New York,, NY	***	***	***	***	***
Welspun	Little Rock, AR	***	***	***	***	***
XL Systems	Houston, TX	***	***	***	***	***
Total		***	***	***	***	***

Table continued on next page.

Table IV-1--Continued

## LDWP: U.S. importers, their headquarters, and share of U.S. imports by source, 2017

Firm	Share of imports by source (percent)					
	Turkey	Subject sources	Korea nonsubject	All other sources	Nonsubject sources	All import sources
Ace	***	***	***	***	***	***
Amer Pipe	***	***	***	***	***	***
Athamor	***	***	***	***	***	***
Bechtel	***	***	***	***	***	***
Berg	***	***	***	***	***	***
Borusan	***	***	***	***	***	***
C&F	***	***	***	***	***	***
Champions	***	***	***	***	***	***
CMC	***	***	***	***	***	***
Corpac	***	***	***	***	***	***
CPW	***	***	***	***	***	***
Edgen Murray	***	***	***	***	***	***
EEW Steel	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Fortis	***	***	***	***	***	***
Husteel	***	***	***	***	***	***
Kinder	***	***	***	***	***	***
Kurt Orban	***	***	***	***	***	***
Kurvers	***	***	***	***	***	***
MC Tubular	***	***	***	***	***	***
MS Global	***	***	***	***	***	***
Optima	***	***	***	***	***	***
Oryx	***	***	***	***	***	***
POSCO Daewoo	***	***	***	***	***	***
Rushmore	***	***	***	***	***	***
Salzgitter	***	***	***	***	***	***
SeAH	***	***	***	***	***	***
Skyline	***	***	***	***	***	***
Stemcor	***	***	***	***	***	***
Sumitomo	***	***	***	***	***	***
Sunbelt	***	***	***	***	***	***
Tata	***	***	***	***	***	***
Traxys	***	***	***	***	***	***
Welspun	***	***	***	***	***	***
XL Systems	***	***	***	***	***	***
Total	***	***	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Turkey nonsubject is not separately listed as there were no such imports reported in 2017.

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

## U.S. IMPORTS

Table IV-2 and figure IV-1 present data for U.S. imports of LDWP from Canada, China, Greece, India, Korea, Turkey, and all other sources during 2015-17, January to June 2017, and January to June 2018. The quantity of LDWP imports from the subject countries decreased by \*\*\* percent from 2015 to 2016, but increased by \*\*\* percent from 2016 to 2017.<sup>4</sup> The quantity of LDWP imports from the subject countries decreased overall by \*\*\* percent during 2015-17, and was lower in January to June (“interim”) 2018 than in interim 2017 by \*\*\* percent. The value of LDWP imports from the subject countries decreased by \*\*\* percent from 2015 to 2016, but increased by \*\*\* percent from 2016 to 2017. The value of LDWP imports from the subject countries decreased overall by \*\*\* percent during 2015-17, but was higher in interim 2018 than in interim 2017 by less than \*\*\* percent. As a share of total imports, the quantity of subject imports of LDWP increased from \*\*\* percent in 2015 to \*\*\* percent in 2017, an increase of \*\*\* percentage points. The value of subject imports as a share of total imports increased by \*\*\* percentage points during 2015-17, but was lower by \*\*\* percentage points in interim 2018 than in interim 2017. The average unit values of LDWP imports from the subject countries, which were slightly higher than those reported for nonsubject imports in during 2015-17, decreased by \*\*\* percent from 2015 to 2017, but were higher by \*\*\* percent in interim 2018 than in interim 2017.

The ratio of subject import volume to U.S. production decreased by \*\*\* percentage points in 2015 to 2016, but increased by \*\*\* percentage points from 2016 to 2017. The ratio of subject import volume to U.S. production increased by \*\*\* percentage points from 2015 to 2017, but was \*\*\* percentage points lower in interim 2018 than in interim 2017.

The ratio of total import volume to U.S. production decreased by \*\*\* percentage points from 2015 to 2016, but increased by \*\*\* percentage points from 2016 to 2017. The ratio of total import volume to U.S. production increased by \*\*\* percentage points during 2015-17, but was \*\*\* percentage points lower in interim 2018 than in interim 2017.

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<sup>4</sup> In its posthearing brief, Evraz indicated that the increase in subject imports were “accounted for solely by the increase in Welspun’s imports from India,” which was the result of the projects awarded to \*\*\*, and various other pipeline projects. Evraz posthearing brief, p. 7.

**Table IV-2**  
**LDWP: U.S. imports by source, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
U.S. imports from.--					
Canada	338,166	67,666	174,207	78,663	100,254
China	52,301	20,991	35,339	20,334	9,967
Greece	201,344	90,802	13,854	2,097	101,607
India	51,091	32,719	392,135	200,292	1,887
Korea subject	***	***	***	***	***
Turkey subject	127,233	119,570	62,490	36,953	4,985
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	226	81	---	---	---
All other sources	328,727	224,749	180,465	66,114	95,446
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	1,350,322	748,879	1,062,270	487,282	436,473
	<b>Value (1,000 dollars)</b>				
U.S. imports from.--					
Canada	413,856	66,067	180,984	70,109	131,217
China	40,494	14,119	31,782	17,077	12,873
Greece	208,570	74,072	11,420	601	88,769
India	52,095	26,689	295,423	156,497	2,207
Korea subject	***	***	***	***	***
Turkey subject	156,625	130,450	61,235	36,547	5,523
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	561	352	---	---	---
All other sources	379,887	214,552	170,122	56,896	111,427
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	1,458,943	690,154	912,361	394,420	456,725

Table continued on next page.

Table IV-2—Continued

LDWP: U.S. imports by source, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Unit value (dollars per short ton)</b>				
U.S. imports from.--					
Canada	1,224	976	1,039	891	1,309
China	774	673	899	840	1,292
Greece	1,036	816	824	287	874
India	1,020	816	753	781	1,169
Korea subject	***	***	***	***	***
Turkey subject	1,231	1,091	980	989	1,108
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	2,477	4,346	---	---	---
All other sources	1,156	955	943	861	1,167
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	1,080	922	859	809	1,046
	<b>Share of quantity (percent)</b>				
U.S. imports from.--					
Canada	25.0	9.0	16.4	16.1	23.0
China	3.9	2.8	3.3	4.2	2.3
Greece	14.9	12.1	1.3	0.4	23.3
India	3.8	4.4	36.9	41.1	0.4
Korea subject	***	***	***	***	***
Turkey subject	9.4	16.0	5.9	7.6	1.1
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	0.0	0.0	---	---	---
All other sources	24.3	30.0	17.0	13.6	21.9
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

**Table IV-2--Continued**  
**LDWP: U.S. imports by source, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Share of value (percent)</b>				
U.S. imports from.--					
Canada	28.4	9.6	19.8	17.8	28.7
China	2.8	2.0	3.5	4.3	2.8
Greece	14.3	10.7	1.3	0.2	19.4
India	3.6	3.9	32.4	39.7	0.5
Korea subject	***	***	***	***	***
Turkey subject	10.7	18.9	6.7	9.3	1.2
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	0.0	0.1	---	---	---
All other sources	26.0	31.1	18.6	14.4	24.4
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	100.0	100.0	100.0	100.0	100.0
	<b>Ratio to U.S. production</b>				
U.S. imports from.--					
Canada	17.3	4.7	13.8	13.7	15.6
China	2.7	1.5	2.8	3.5	1.6
Greece	10.3	6.3	1.1	0.4	15.8
India	2.6	2.3	31.1	34.9	0.3
Korea subject	***	***	***	***	***
Turkey subject	6.5	8.3	5.0	6.4	0.8
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	0.0	0.0	---	---	---
All other sources	16.8	15.6	14.3	11.5	14.9
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	69.0	52.1	84.3	84.9	68.0

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

Source: Official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Figure IV-1**  
**LDWP: U.S. import volumes and prices, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

## Nonsubject imports

Table IV-3 presents data for U.S. imports of LDWP from nonsubject sources during 2015-17, January to June 2017, and January to June 2018. The quantity of LDWP imports from all nonsubject countries (except Korea and Turkey nonsubject) decreased by 45.1 percent from 2015 to 2017, but was 44.4 percent higher in interim 2018 than in interim 2017. LDWP imports from Germany, the largest nonsubject importer, followed a similar trend, decreasing by 46.9 percent from 2015 to 2017, but was 4.4 percent higher in interim 2018 than in interim 2017.<sup>5</sup> The share of total U.S. imports from nonsubject countries decreased by 7.3 percentage points from 2015 to 2017, but were 8.3 percentage points higher in interim 2018 than in interim 2017.

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<sup>5</sup> \*\*\* was the largest nonsubject importer during 2017. \*\*\* U.S. importer questionnaire resulted in a much higher (\*\*\*) share of U.S. imports from all other sources, and a primary source for the overall increase of nonsubject imports that represented the increased coverage estimates from official U.S. import statistics. \*\*\* U.S. importer questionnaire response, section II-20a.



**Table IV-3**  
**LDWP: U.S. imports by nonsubject source, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
Nonsubject U.S. imports from.--					
Germany	208,548	65,204	110,813	46,858	48,901
Japan	65,958	119,775	41,755	10,111	21,821
Mexico	17,226	17,136	17,466	4,620	15,132
United Kingdom	11,687	3,876	6,212	1,987	894
Taiwan	203	635	1,643	1,588	696
Italy	17,606	15,859	1,286	315	461
Russia	674	---	601	---	---
Philippines	76	38	307	307	---
Romania	1,014	254	254	229	---
All other sources	5,738	1,974	127	99	7,541
Nonsubject sources (except Korea and Turkey nonsubject)	328,727	224,749	180,465	66,114	95,446
	<b>Share of total U.S. imports quantity (percent)</b>				
Nonsubject U.S. imports from.--					
Germany	15.4	8.7	10.4	9.6	11.2
Japan	4.9	16.0	3.9	2.1	5.0
Mexico	1.3	2.3	1.6	0.9	3.5
United Kingdom	0.9	0.5	0.6	0.4	0.2
Taiwan	0.0	0.1	0.2	0.3	0.2
Italy	1.3	2.1	0.1	0.1	0.1
Russia	0.0	---	0.1	---	---
Philippines	0.0	0.0	0.0	0.1	---
Romania	0.1	0.0	0.0	0.0	---
All other sources	0.4	0.3	0.0	0.0	1.7
Nonsubject sources (except Korea and Turkey nonsubject)	24.3	30.0	17.0	13.6	21.9

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

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

### U.S. imports by current and former U.S. producers

Table IV-4 presents U.S. imports imported by current and former U.S. producers during 2015-17, January to June 2017, and January to June 2018. Noticeable volumes of U.S. imports from Canada and India were imported by U.S. producers \*\*\*, respectively.

**Table IV-4**  
**LDWP: U.S. imports by current and former U.S. producers, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

## NEGLIGENCE

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.<sup>6</sup> Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.<sup>7</sup> In the case of countervailing duty investigations involving developing countries, the negligibility limits are 4 percent and 9 percent rather than 3 percent and 7 percent.<sup>8</sup> Although the petitions in these investigations include countervailing duty investigations on four countries (China, India, Korea, and Turkey), none of these countries have been designated as developing countries by the U.S. Trade Representative.

The quantity of U.S. imports in the twelve month period preceding the filing of the petitions (January 2017 to December 2017) and the share of quantity of total U.S. imports for which each accounted are presented in table IV-5. Based on adjusted official U.S. import statistics, U.S. imports from the five of the six (Canada, China, India, subject Korea, and subject Turkey) subject antidumping duty countries exceeded the relevant 3 percent negligibility threshold, while one source (Greece) did not exceed the relevant 3 percent negligibility threshold. There were no other sources other than Greece that were below the negligibility threshold for the purposes of the antidumping duty investigations. Additional information concerning imports from Greece are presented in Table IV-6 and figure IV-2 for the Commission to assess whether imports from Greece (on a rolling twelve month average) might eminently exceed the negligibility threshold. Based on adjusted official U.S. import statistics, all four of the relevant subject countervailing duty sources exceeded their relevant negligibility thresholds: China, subject Korea, and subject Turkey all exceeded the relevant 3 percent threshold for developed economies, and India exceeded the relevant 4 percent threshold relevant for developing economies under the statute.<sup>9</sup>

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<sup>6</sup> Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

<sup>7</sup> Section 771 (24) of the Act (19 U.S.C § 1677(24)).

<sup>8</sup> Section 771 (24) of the Act (19 U.S.C § 1677(24)) (B)).

<sup>9</sup> In its posthearing brief, the responding Greek producer, Corinth, argued that “if in the final phase the Commission determines that the U.S. industry is materially injured by reason of subject imports from the other five respondent countries, then the Commission's threat analysis should not overlay the data from the countries that materially injured the U.S. industry with those from a country which

*(continued...)*

**Table IV-5**  
**LDWP: U.S. imports in the twelve month period preceding the filing of the petition, January through December 2017**

Item	January 2017 through December 2017			
	AD investigations		CVD investigations	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--				
Canada	174,207	18.1	NA	NA
China	35,339	3.7	35,339	3.3
Greece	13,854	1.4	NA	NA
India	392,135	40.7	392,135	36.9
Korea subject <sup>1</sup>	104,157	10.8	***	15.2
Turkey subject <sup>2</sup>	62,490	6.5	62,490	5.9
Subject sources	782,183	81.3	***	61.3
Korea nonsubject	---	---	***	4.0
All other sources	180,465	18.7	368,526	34.7
Nonsubject sources	180,465	18.7	***	38.7
All import sources	962,647	100.0	1,062,270	100.0

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

<sup>1</sup> In the antidumping duty negligibility calculations, the lines for "Korea subject" and "imports from all sources" excludes LDW line pipe from >16" to 24" in outside diameter (OD) reported under statistical reporting numbers 7305.11.1030, 7305.12.1030, and 7305.19.1030 due to the existing antidumping duty order against Korea on those goods. In the countervailing duty negligibility calculations, however, these same imports (i.e., line pipe >16" and less than or equal to 24" inches in outer diameter) are included in the lines for "imports from all sources" as well as split between the lines for "Korea subject" and "Korea nonsubject" based on Commerce preliminarily finding de minimis countervailing duty rates for two Korean suppliers (Hyundai and Husteel).

<sup>2</sup> In both the antidumping and countervailing duty negligibility calculations, the lines for "Turkey subject" and "all import sources" excludes LDW line pipe from >16" to 24" in outside diameter (OD) reported under HTS statistical reporting numbers 7305.11.1030, 7305.12.1030, and 7305.19.1030. Since no imports were reported for calendar year 2017 from Turkey under those three statistical reporting numbers, this adjustment has no impact on the reported data.

Source: Official U.S. import statistics and \*\*\* records using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

(...continued)

allegedly poses a future threat. In any event, if the Commission makes an affirmative material injury determination with respect to China and India (in December 2018), by the time the Commission considers whether Greece poses any threat (decision due in February 2019), there will already be antidumping and countervailing duty orders in place on China and India. Therefore, subject imports from China and India cannot be considered a threat." Corinth posthearing brief, p. 3, fn. 8.

**Table IV-6**  
**LDWP: U.S. imports from Greece and from all sources, rolling 12-month average by ending month, January 2016 through June 2018**

12 month period ending in	U.S. imports from Greece (short tons)	U.S. imports from all import sources (short tons)	Share of U.S. imports from Greece (percent)
2016.--			
January	187,210	1,262,432	14.8
February	191,744	1,251,173	15.3
March	174,264	1,158,812	15.0
April	171,354	1,156,039	14.8
May	143,584	1,064,267	13.5
June	112,615	969,597	11.6
July	68,226	865,158	7.9
August	51,173	810,347	6.3
September	38,563	758,873	5.1
October	51,236	727,614	7.0
November	64,185	739,062	8.7
December	90,802	748,879	12.1
2017.--			
January	84,734	708,177	12.0
February	80,243	735,741	10.9
March	79,879	788,247	10.1
April	64,562	739,310	8.7
May	64,562	799,731	8.1
June	57,788	812,538	7.1
July	54,337	854,225	6.4
August	54,337	894,255	6.1
September	54,337	1,009,727	5.4
October	41,664	1,060,392	3.9
November	40,469	1,069,515	3.8
December (negligibility period) <sup>1</sup>	13,854	1,062,270	1.3
2018.--			
January	26,291	1,083,712	2.4
February	39,500	1,054,720	3.7
March	57,998	1,015,573	5.7
April	81,554	1,044,868	7.8
May	113,363	1,023,470	11.1
June	113,363	1,011,461	11.2

<sup>1</sup> Calculated based on all imports, including imports from Korea that are excluded from the scope of the antidumping duty investigations.

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

Source: Official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Figure IV-2**  
**LDWP: U.S. imports from Greece as a share of total imports, twelve month rolling averages, January 2016 through June 2018**

\* \* \* \* \*

### CUMULATION CONSIDERATIONS

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

#### Fungibility

Table IV-7 and figure IV-3 present data for U.S. producers' and U.S. importers' U.S. shipments by OD size (by inches) for 2017. U.S. shipments by OD size are categorized by >16 OD and <=24 OD pipe, >24 and <=48, >48 OD pipe, and all in-scope OD sizes of LDWP. For U.S. producers and U.S. importers from the six subject countries, the >24 and <=48 pipe was the largest for shipments by OD size. For U.S. producers, the share of their combined U.S. shipments were mostly split between the >16 OD and <=24 OD pipe and the >24 and <=48 OD pipe, accounting for \*\*\* of U.S. producers' U.S. shipments.<sup>10</sup> For U.S. importers from the six subject countries, the share of their combined U.S. shipments were mostly (\*\*\*) percent) the >24 and <=48 pipe.<sup>11</sup> For U.S. importers from nonsubject sources, the >16 OD and <=24 OD pipe was the largest for shipments by OD size with \*\*\* percent in 2017.<sup>12</sup>

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<sup>10</sup> At the Commission's hearing, Corinth stated "our company witnesses have identified four types of products that Greece supplies to the U.S. market that are either not available at all from U.S. producers--and we do stand by that statement--or where there may be limited technical capability but that U.S. producers cannot satisfy the testing or certification requirements of U.S. purchasers. In other words, domestic producers do not meet specific customer requirements for products that account for nearly 70 percent of recent imports from Greece." In its prehearing brief, Corinth indicated that the four types of products include \*\*\*. Hearing transcript, p. 205 (Woodings), and Corinth prehearing brief, pp. 26-29.

<sup>11</sup> U.S. importers' U.S. shipments from India accounted for \*\*\* percent of the total combined U.S. importers' U.S. shipments of the >24 and <=48 pipe during 2017.

<sup>12</sup> \*\*\* U.S. shipments of the >16 OD and <=24 OD pipe accounted for \*\*\* percent of the total nonsubject U.S. importers' U.S. shipments of >16 OD and <=24 OD pipe in 2017.

**Table IV-7**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by OD size, 2017**

Item	>16 OD and <=24 OD	> 24 OD and <= 48	>48 OD	All in- scope OD sizes
	<b>Quantity (short tons)</b>			
U.S. producers' U.S. shipments	***	***	***	***
U.S. importers' U.S. shipments of imports from.--				
Canada	***	***	***	***
China	***	***	***	***
Greece	***	***	***	***
India	***	***	***	***
Korea subject	***	***	***	***
Turkey subject	***	***	***	***
Subject sources	***	***	***	***
Korea nonsubject	***	***	***	***
All other sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
U.S. producers and U.S. importers combined	864,366	1,213,123	65,093	2,142,582
	<b>Share across (percent)</b>			
U.S. producers' U.S. shipments	***	***	***	***
U.S. importers' U.S. shipments of imports from.--				
Canada	***	***	***	***
China	***	***	***	***
Greece	***	***	***	***
India	***	***	***	***
Korea subject	***	***	***	***
Turkey	***	***	***	***
Subject sources	***	***	***	***
Korea nonsubject	***	***	***	***
All other sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
U.S. producers and U.S. importers combined	40.3	56.6	3.0	100.0

Table continued on next page.

**Table IV-7--Continued**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by OD size, 2017**

Item	>16 OD and <=24 OD	> 24 OD and <= 48	>48 OD	All in- scope OD sizes
	<b>Share down (percent)</b>			
U.S. producers' U.S. shipments	***	***	***	***
U.S. importers' U.S. shipments of imports from.--				
Canada	***	***	***	***
China	***	***	***	***
Greece	***	***	***	***
India	***	***	***	***
Korea subject	***	***	***	***
Turkey subject	***	***	***	***
Subject sources	***	***	***	***
Korea nonsubject	***	***	***	***
All other sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
U.S. producers and U.S. importers combined	100.0	100.0	100.0	100.0

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

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

**Figure IV-3**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by OD size, 2017**

\* \* \* \* \*

Table IV-8 and figure IV-4 present data for U.S. producers' and U.S. importers' U.S. shipments by product type for 2017. U.S. shipments by product type are categorized by line and structural pipe. For U.S. producers and U.S. importers from the six subject countries, line pipe was the largest for U.S. shipments by type, accounting for the vast majority by \*\*\*, respectively. For China, U.S. importers' U.S. shipments of structural pipe accounted for the majority of their U.S. shipments during 2017.

**Table IV-8**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by product type, 2017**

<b>Item</b>	<b>Line</b>	<b>Structural</b>	<b>All types</b>
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.-- Canada	***	***	***
China	***	***	***
Greece	***	***	***
India	***	***	***
Korea subject	***	***	***
Turkey subject	***	***	***
Subject sources	***	***	***
Korea nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
U.S. producers and U.S. importers combined	1,884,056	258,526	2,142,582
	<b>Share across (percent)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.-- Canada	***	***	***
China	***	***	***
Greece	***	***	***
India	***	***	***
Korea subject	***	***	***
Turkey subject	***	***	***
Subject sources	***	***	***
Korea nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
U.S. producers and U.S. importers combined	87.9	12.1	100.0

Table continued on next page.



**Table IV-8--Continued**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by product type, 2017**

Item	Line	Structural	All types
	<b>Share down (percent)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from--			
Canada	***	***	***
China	***	***	***
Greece	***	***	***
India	***	***	***
Korea subject	***	***	***
Turkey subject	***	***	***
Subject sources	***	***	***
Korea nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
U.S. producers and U.S. importers combined	100.0	100.0	100.0

Note.—As per the questionnaires, shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

**Figure IV-4**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by product type, 2017**

\* \* \* \* \*

Table IV-9 and figure IV-5 present data for U.S producers' and U.S. importers' U.S. shipments by steel type for 2017. U.S. shipments by steel type are categorized by carbon and alloy and stainless steel. Aside from a \*\*\*, carbon and alloy steel accounted for \*\*\* U.S. importers' U.S. shipments in 2017, while U.S. producers' U.S. shipments of stainless steel accounted for \*\*\* of the combined U.S. producers' U.S. shipments of LDWP in 2017.

**Table IV-9**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by steel type, 2017**

Item	Carbon and alloy steel	Stainless steel	All steel types
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.--			
Canada	***	***	***
China	***	***	***
Greece	***	***	***
India	***	***	***
Korea subject	***	***	***
Turkey subject	***	***	***
Subject sources	***	***	***
Korea nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
U.S. producers and U.S. importers combined	2,135,003	7,578	2,142,581
	<b>Share across (percent)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.--			
Canada	***	***	***
China	***	***	***
Greece	***	***	***
India	***	***	***
Korea subject	***	***	***
Turkey subject	***	***	***
Subject sources	***	***	***
Korea nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
U.S. producers and U.S. importers combined	99.6	0.4	100.0

Table continued on next page.

**Table IV-9--Continued**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by steel type, 2017**

Item	Carbon and alloy steel	Stainless steel	All steel types
	<b>Share down (percent)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from--			
Canada	***	***	***
China	***	***	***
Greece	***	***	***
India	***	***	***
Korea subject	***	***	***
Turkey subject	***	***	***
Subject sources	***	***	***
Korea nonsubject	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
U.S. producers and U.S. importers combined	100.0	100.0	100.0

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

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

**Figure IV-5**  
**LDWP: U.S. producers' and U.S. importers' U.S. shipments by steel type, 2017**

\* \* \* \* \*

### Geographical markets

According to Commission questionnaire responses, LDWP production mostly occurs in the Eastern and Southern geographic regions of the United States. LDWP is generally shipped nationwide, with the exception of geographic areas served by U.S. importers from Greece and Turkey, which do not ship to the North, Central Southwest, and Mountains geographic U.S. market areas.

As illustrated in table IV-9, U.S. Customs districts located in the South<sup>13</sup> accounted (by share of quantity, across) for \*\*\* percent, the largest share of the imports of LDWP from the subject countries during 2017, whereas U.S. Customs districts located in the East,<sup>14</sup> North,<sup>15</sup> and West<sup>16</sup> accounted for smaller shares (\*\*\* percent of imports from the subject countries, respectively).<sup>17</sup>

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<sup>13</sup> The “South” includes the following Customs entry districts: Dallas-Fort Worth, Texas; El Paso, Texas; Houston-Galveston, Texas; Laredo, Texas; Miami, Florida; Mobile, Alabama; New Orleans, Louisiana; and Tampa, Florida.

<sup>14</sup> The “East” includes the following Customs entry districts: Baltimore, Maryland; Boston, Massachusetts; Buffalo, New York; Charleston, South Carolina; Charlotte, North Carolina; New York, New York; Norfolk, Virginia; Ogdensburg, New York; Philadelphia, Pennsylvania; Portland, Maine; San Juan, Puerto Rico; Savannah, Georgia; St. Albans, Vermont; and Washington, District of Columbia.

<sup>15</sup> The “North” includes the following Customs entry districts: Chicago, Illinois; Cleveland, Ohio; Detroit, Michigan; Duluth, Minnesota; Great Falls, Montana; Milwaukee, Wisconsin; Minneapolis, Minnesota; and Pembina, North Dakota. The “South” includes the following Customs entry districts: Dallas-Fort Worth, Texas; El Paso, Texas; Houston-Galveston, Texas; Laredo, Texas; Miami, Florida; Mobile, Alabama; New Orleans, Louisiana; and Tampa, Florida.

<sup>16</sup> The “West” includes the following Customs entry districts: Columbia-Snake, Oregon; Honolulu, Hawaii; Los Angeles, California; Nogales, Arizona; San Diego, California; San Francisco, California; and Seattle, Washington.

<sup>17</sup> In its posthearing brief, Evraz argues that Canadian line pipe competes overwhelmingly in the North Central region of the United States, where Evraz enjoys a natural geographic and freight advantage over both domestic and imported product. Evraz posthearing brief, p.12.

**Table IV-9**  
**LDWP: U.S. imports by border entry, 2017**

Item	Border of entry				All borders
	East	North	South	West	
	<b>Quantity (short tons)</b>				
U.S. imports from.--					
Canada	23,972	149,177	---	1,059	174,207
China	7,904	592	13,780	13,062	35,339
Greece	13,852	---	3	---	13,854
India	169,891	43	222,188	13	392,135
Korea subject	***	***	***	***	***
Turkey	51,653	---	10,837	---	62,490
Subject sources	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
All other sources	10,622	619	150,188	19,036	180,465
Nonsubject sources	***	***	***	***	***
All import sources	284,280	150,994	569,734	57,262	1,062,270
	<b>Share across (percent)</b>				
U.S. imports from.--					
Canada	13.8	85.6	---	0.6	100.0
China	22.4	1.7	39.0	37.0	100.0
Greece	100.0	---	0.0	---	100.0
India	43.3	0.0	56.7	0.0	100.0
Korea subject	***	***	***	***	***
Turkey	82.7	---	17.3	---	100.0
Subject sources	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
All other sources	1.3	0.1	17.9	2.3	21.5
Nonsubject sources	***	***	***	***	***
All import sources	33.9	18.0	67.9	6.8	126.5
	<b>Share down (percent)</b>				
U.S. imports from.--					
Canada	8.4	98.8	---	1.8	16.4
China	2.8	0.4	2.4	22.8	3.3
Greece	4.9	---	0.0	---	1.3
India	59.8	0.0	39.0	0.0	36.9
Korea subject	***	***	***	***	***
Turkey	18.2	---	1.9	---	5.9
Subject sources	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
All other sources	3.7	0.4	26.4	33.2	17.0
Nonsubject sources	***	***	***	***	***
All import sources	100.0	100.0	100.0	100.0	100.0

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

Source: Official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

## Presence in the market

Table IV-10 and figures IV-6 and IV-7 present monthly U.S. imports during January 2015 to September 2018. These data show that imports of LDWP were present in the U.S. market in every month during the period examined from January 2015 to September 2018 for every subject country except Greece, India, and Turkey. With respect to Greece, there were only four months in 2017 where imports from Greece were present. Imports of LDWP from India were mostly present during January 2015 to September 2018, with the exception of 2016 where they were present in seven months of that year. Imports of LDWP from Turkey were mostly present during January 2015 to September 2018, with the exception of a few times in late 2017 and early 2018.

**Table IV-10**  
**LDWP: U.S. imports by month, January 2015 through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea subject	Turkey
Quantity (short tons)						
2015.--						
January	42,797	4,408	20,202	15,318	***	11,700
February	34,749	2,130	---	107	***	1,204
March	49,678	11,947	17,845	25,942	***	263
April	36,937	4,527	20,281	1,040	***	290
May	30,916	3,276	27,770	255	***	16,876
June	33,339	2,140	37,743	306	***	16,477
July	21,079	8,770	47,841	---	***	28,944
August	21,944	10,370	17,053	8,040	***	16,062
September	13,957	628	12,610	25	***	12,108
October	17,580	1,907	---	---	***	18,621
November	15,688	1,607	---	---	***	13
December	19,502	591	---	58	***	4,903
2016.--						
January	20,147	2,705	6,068	344	***	15,973
February	3,288	4,477	4,534	9,511	***	14,019
March	5,089	1,557	364	---	***	10,076
April	3,240	3,051	17,371	---	***	24,260
May	3,626	663	---	---	***	16,726
June	2,487	985	6,774	---	***	22,940
July	1,345	1,620	3,452	---	***	11,087
August	2,544	1,564	---	2	***	4,534
September	1,368	363	---	11,797	***	1
October	1,731	2,465	12,673	5	***	15
November	11,142	531	12,949	11,055	***	10
December	11,659	1,010	26,617	6	***	10

Table continued on next page.

**Table IV-10--Continued**  
**LDWP: U.S. imports by month, January 2015 through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea subject	Turkey
	Quantity (short tons)					
2017.--						
January	3,580	5,587	---	13	***	15,490
February	9,023	3,234	44	56,835	***	3,535
March	19,990	1,482	---	63,469	***	4,701
April	7,520	4,199	2,054	16,218	***	---
May	24,933	3,504	---	42,453	***	1,033
June	13,618	2,327	---	21,305	***	12,193
July	12,284	3,273	---	41,533	***	14,555
August	20,206	4,380	---	39,978	***	---
September	19,951	4,008	---	64,316	***	3,512
October	13,488	939	---	45,989	***	---
November	13,688	739	11,754	---	***	7,470
December	15,927	1,667	3	27	***	---
2018.--						
January	15,075	1,082	12,437	508	***	---
February	20,266	2,005	13,253	48	***	---
March	22,032	2,535	18,498	154	***	4,111
April	20,108	1,530	25,610	23	***	---
May	7,519	678	31,809	437	***	269
June	15,255	2,137	---	716	***	604
July	16,245	2,045	52,394	---	***	233
August	47,045	473	11,950	38	***	9,190
September	14,229	1,282	13,153	---	NA	21,915

Table continued on next page.

**Table IV-10--Continued**  
**LDWP: U.S. imports by month, January 2015 through September 2018**

Item	U.S. imports				All import sources
	Subject sources	Korea nonsubject	All other sources	Nonsubject sources	
	<b>Quantity (short tons)</b>				
2015.--					
January	***	***	41,019	***	171,560
February	***	***	18,075	***	78,828
March	***	***	28,419	***	153,235
April	***	***	12,468	***	109,431
May	***	***	38,029	***	132,556
June	***	***	44,175	***	158,738
July	***	***	38,617	***	161,682
August	***	***	29,496	***	117,411
September	***	***	33,843	***	84,834
October	***	***	15,659	***	82,046
November	***	***	8,622	***	46,845
December	***	***	20,305	***	53,156
2016.--					
January	***	***	19,903	***	83,670
February	***	***	6,355	***	67,568
March	***	***	18,766	***	60,875
April	***	***	31,717	***	106,658
May	***	***	13,033	***	40,783
June	***	***	20,759	***	64,068
July	***	***	32,024	***	57,243
August	***	***	38,083	***	62,600
September	***	***	16,258	***	33,360
October	***	***	7,900	***	50,787
November	***	***	7,403	***	58,293
December	***	***	12,549	***	62,973

Table continued on next page.



**Table IV-10--Continued**  
**LDWP: U.S. imports by month, January 2015 through September 2018**

Item	U.S. imports				
	Subject sources	Korea nonsubject	All other sources	Non subject sources	All import sources
	Quantity (short tons)				
2017.--					
January	***	***	10,090	***	42,968
February	***	***	5,472	***	95,132
March	***	***	10,832	***	113,381
April	***	***	15,128	***	57,721
May	***	***	9,395	***	101,204
June	***	***	15,196	***	76,876
July	***	***	10,041	***	98,929
August	***	***	20,655	***	102,630
September	***	***	33,695	***	148,833
October	***	***	17,849	***	101,452
November	***	***	22,856	***	67,417
December	***	***	9,254	***	55,728
2018.--					
January	***	***	11,589	***	64,410
February	***	***	19,289	***	66,140
March	***	***	13,313	***	74,234
April	***	***	12,081	***	87,016
May	***	***	24,511	***	79,806
June	***	***	14,664	***	64,867
July	***	***	21,209	***	102,725
August	***	***	31,694	***	105,481
September	NA	NA	NA	NA	NA

Note.—\*\*\* data is not available for September 2018.

Source: Official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Figure IV-6**  
**LDWP: U.S. imports by month, subject sources, January 2015 through August 2018**

\* \* \* \* \*

**Figure IV-7**  
**LDWP: U.S. imports by month, all import sources, January 2015 through August 2018**

\* \* \* \* \*

## Apparent U.S. consumption

Table IV-11 and figure IV-8 present data on apparent U.S. consumption for LDWP during 2015-17, January-June 2017, and January-June 2018. Apparent U.S. consumption based on quantity decreased by 27.5 percent from 2015 to 2016, but increased by 2.9 percent from 2016 to 2017. Apparent U.S. consumption based on quantity decreased overall by 25.4 percent from 2015 to 2017, and was lower by 4.1 percent in interim 2018 than in interim 2017. Apparent U.S. consumption based on value decreased by 35.5 percent from 2015 to 2017, but was higher by 16.2 percent in interim 2018 than in interim 2017.<sup>18</sup> U.S. imports based on quantity from subject sources decreased by \*\*\* percent from 2015 to 2016, but increased by \*\*\* percent from 2016 to 2017. U.S. imports from subject sources decreased by \*\*\* percent from 2015 to 2017, and were lower by \*\*\* percent in interim 2018 than in interim 2017. From 2015 to 2017, the quantity and value of U.S. producers' U.S. shipments decreased by \*\*\* percent and \*\*\* percent, respectively, but was \*\*\* percent and \*\*\* percent higher, respectively, in interim 2018 than in interim 2017.

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<sup>18</sup> At the Commission's hearing, respondents (Borusan) indicated "U.S. producers' operating margin track demand trends, decreasing with apparent consumption in 2016 and then increasing with apparent consumption in 2017. U.S. producers' operating margin was flat during the interim periods, which is consistent with the slight decrease in apparent consumption." Hearing transcript, p. 173 (Peterson).

**Table IV-11**  
**LDWP: Apparent U.S. consumption, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
U.S. producers' U.S. shipments	1,783,321	1,523,068	1,275,313	569,800	576,756
U.S. imports from.--					
Canada	338,166	67,666	174,207	78,663	100,254
China	52,301	20,991	35,339	20,334	9,967
Greece	201,344	90,802	13,854	2,097	101,607
India	51,091	32,719	392,135	200,292	1,887
Korea subject	***	***	***	***	***
Turkey subject	127,233	119,570	62,490	36,953	4,985
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	226	81	---	---	---
All other sources	328,727	224,749	180,465	66,114	95,446
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	1,350,322	748,879	1,062,270	487,282	436,473
Apparent U.S. consumption	3,133,643	2,271,947	2,337,583	1,057,082	1,013,229
	<b>Value (1,000 dollars)</b>				
U.S. producers' U.S. shipments	2,029,917	1,544,426	1,336,431	583,416	679,658
U.S. imports from.--					
Canada	413,856	66,067	180,984	70,109	131,217
China	40,494	14,119	31,782	17,077	12,873
Greece	208,570	74,072	11,420	601	88,769
India	52,095	26,689	295,423	156,497	2,207
Korea subject	***	***	***	***	***
Turkey subject	156,625	130,450	61,235	36,547	5,523
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	561	352	---	---	---
All other sources	379,887	214,552	170,122	56,896	111,427
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	1,458,943	690,154	912,361	394,420	456,725
Apparent U.S. consumption	3,488,860	2,234,580	2,248,792	977,836	1,136,383

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

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Figure IV-8**

**LDWP: Apparent U.S. consumption, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

**U.S. MARKET SHARES**

U.S. market share data are presented in table IV-12 for LDWP during 2015-17, January-June 2017, and January-June 2018. These data show that U.S. producers' market share based on quantity decreased by 2.4 percentage points from 2015 to 2017, but were higher by 3.0 percentage points in interim 2018 than in interim 2017. U.S. producers' market share, based on value, increased by 1.2 percentage points from 2015 to 2017, and was higher by 0.1 percentage points in interim 2018 than in interim 2017. The market share based on quantity of imports of LDWP from subject countries, increased by \*\*\* percentage points from 2015 to 2017, but was \*\*\* percentage points lower in interim 2018 than in interim 2017.

**Table IV-12**  
**LDWP: Market shares, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
Apparent U.S. consumption	3,133,643	2,271,947	2,337,583	1,057,082	1,013,229
	<b>Share of quantity (percent)</b>				
U.S. producers' U.S. shipments	56.9	67.0	54.6	53.9	56.9
U.S. imports from.--					
Canada	10.8	3.0	7.5	7.4	9.9
China	1.7	0.9	1.5	1.9	1.0
Greece	6.4	4.0	0.6	0.2	10.0
India	1.6	1.4	16.8	18.9	0.2
Korea subject	***	***	***	***	***
Turkey subject	4.1	5.3	2.7	3.5	0.5
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	0.0	0.0	---	---	---
All other sources	10.5	9.9	7.7	6.3	9.4
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	43.1	33.0	45.4	46.1	43.1
	<b>Value (1,000 dollars)</b>				
Apparent U.S. consumption	3,488,860	2,234,580	2,248,792	977,836	1,136,383
	<b>Share of value (percent)</b>				
U.S. producers' U.S. shipments	58.2	69.1	59.4	59.7	59.8
U.S. imports from.--					
Canada	11.9	3.0	8.0	7.2	11.5
China	1.2	0.6	1.4	1.7	1.1
Greece	6.0	3.3	0.5	0.1	7.8
India	1.5	1.2	13.1	16.0	0.2
Korea subject	***	***	***	***	***
Turkey subject	4.5	5.8	2.7	3.7	0.5
Subject sources	***	***	***	***	***
Subject sources less Greece	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
Turkey nonsubject	0.0	0.0	---	---	---
All other sources	10.9	9.6	7.6	5.8	9.8
Nonsubject sources	***	***	***	***	***
Nonsubject sources plus Greece	***	***	***	***	***
All import sources	41.8	30.9	40.6	40.3	40.2

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

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.



## PART V: PRICING DATA

### FACTORS AFFECTING PRICES

The primary raw material used in the production of LDWP differs according to the method of production. For ERW pipe, hot-rolled steel coil is the principal raw material. For SAW pipe, the principal raw materials are cut-to-length plate (for LSAW) or hot-rolled steel coil (for HSAW).<sup>1</sup> Raw material costs, as a share of U.S. producers' total cost of goods sold (COGS), fluctuated from 77.1 percent in 2015, to 78.3 percent in 2016, and 76.3 percent in 2017. Raw material costs, as a share of COGS, was 75.4 percent in January-June 2017 and 75.1 percent in January-June 2018.

Prices for cut-to-length plate are typically higher than those for hot-rolled coil. Throughout most of the period for which data were collected, prices for cut-to-length plate exceeded those for hot-rolled coil. However, the price gap between the two raw material inputs began to narrow during the first quarter of 2016 and prices for cut-to-length plate were less than hot-rolled coil during August-December 2016. Prices for cut-to-length plate increased above those for hot-rolled coil by January 2017 and remained higher for the remainder of the period. The prices of hot-rolled coil and cut-to-length plate fluctuated since 2015, decreasing during 2015 and first quarter 2016, increasing during the second and third quarters 2016, falling sharply during the fourth quarter of 2016, and then irregularly increasing through the second quarter of 2018. Overall, the prices of hot-rolled coil and cut-to-length plate increased by \*\*\* and \*\*\* percent, respectively, from January 2015 to June 2018. The prices of stainless steel sheet fluctuated since 2015, decreasing during 2015 and the first quarter of 2016, irregularly increasing through the end of 2016 and the first quarter of 2017, falling sharply during the second quarter of 2017, and then irregularly increasing through the second quarter of 2018. Overall, the prices of stainless steel sheet decreased by \*\*\* percent from January 2015 to June 2018.

#### Figure V-1

**Raw material costs: Cost indices of hot-rolled coil, cut-to-length plate, and stainless steel sheet prices, monthly, January 2015 to September 2018**

\* \* \* \* \*

Most (8 of 15) U.S. producers and the majority (18 of 32) of importers reported that raw material prices have increased since January 2015. Five U.S. producers (\*\*\*) stated that they have not been able to pass on raw material price increases to their customers. Nine importers reported that the increase in raw material prices has caused the prices of LDWP to increase.

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<sup>1</sup> *Certain Welded Large Diameter Line Pipe from Japan, Investigation No. 731-TA-919 (Second Review)*, USITC Publication 4427, September 2013, p. V-1.

## U.S. inland transportation costs

Thirteen of 15 U.S. producers and 16 of 30 importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 8 to 12 percent while most importers reported costs of 3 to 10 percent.

### PRICING PRACTICES

#### Pricing methods

U.S. producers and importers set prices for LDWP primarily on transaction-by-transaction negotiations, although seven U.S. producers and 11 importers reported using contracts (table V-1). LDWP is generally sold for specific projects through bidding competition.

**Table V-1**

**LDWP: U.S. producers' and importers' reported price setting methods, by number of responding firms<sup>1</sup>**

Method	U.S. producers	Importers
<b>Transaction-by-transaction</b>	13	28
<b>Contract</b>	7	11
<b>Set price list</b>	2	---
<b>Other<sup>2</sup></b>	1	---
<b>Responding firms</b>	15	31

<sup>1</sup> 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.

<sup>2</sup> U.S. producer \*\*\* reported that the market sets its prices.

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

U.S. producers' and importers' primary pricing methods varied by firm. Seven U.S. producers reported selling at least 90 percent of their LDWP in the spot market, and four U.S. producers reported selling at least 70 percent through short-term contracts.<sup>2 3</sup> Of the 21 importers that reported selling in the spot market, 13 importers reported selling all of their sales of LDWP in the spot market; however, these sales accounted for a small share of importers' U.S. commercial shipments. Of the 11 importers that sold through short-term contracts, six importers reported that at least 90 percent of their sales were through short-term contracts, which represented the largest share of importers' U.S. commercial shipments. As

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<sup>2</sup> \*\*\*.

<sup>3</sup> U.S. producers sold \*\*\* percent of LDW line pipe and \*\*\* percent of LDW structural pipe on the spot market. U.S. producers \*\*\* reported selling \*\*\* of their stainless steel LDW structural pipe on the spot market and U.S. producer \*\*\* reported selling \*\*\* percent of its stainless steel LDW structural pipe via short-term contracts and \*\*\* percent on the spot market.



shown in table V-2, U.S. producers and importers reported their 2017 U.S. commercial shipments of LDWP by type of sale.

**Table V-2**

**LDWP: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2017**

Type of sale	U.S. producers	Importers
Long-term contracts	24.7	16.2
Annual contracts	9.6	---
Short-term contracts	27.9	68.9
Spot sales	37.8	15.0

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

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

Two U.S. producers reported that their long-term contracts averaged 2 and 3 years and most responding U.S. producers reported that the duration of their short-term contracts ranged from 90 to 180 days. U.S. producers reported similar contract provisions for both long-term and short-term contracts. Most U.S. producers reported that their contracts did not allow for price renegotiations, fixed both price and quantity, and were not indexed to raw material costs.

Most importers reported that their long-term contracts averaged 1.5 to 2 years and their short-term contracts averaged 90 to 180 days. Importers also reported similar contract provisions for both long-term and short-term contracts. Most importers reported that that their contracts did not allow for price renegotiations, fixed both price and quantity, and were not indexed to raw material costs.

A plurality (19 of 44) of purchasers reported that they purchase LDWP on a project-driven basis. Nine purchasers reported that they purchase LDWP on quarterly basis, six reported monthly, five reported weekly, three reported annually, and one reported daily. The majority of purchasers indicated that their purchasing frequency had not changed since January 1, 2015.

### **Sales terms and discounts**

Most U.S. producers (10 of 15) and importers (16 of 26) typically quote prices on a delivered basis. A plurality of U.S. producers (6 of 15) and most importers (25 of 31) reported that they did not offer discounts. Most purchasers reported that domestic LDWP and imported LDWP from all six subject countries were comparable on payment terms.<sup>4</sup>

### **Price leadership**

Fourteen of 44 purchasers identified price leaders in the LDWP market since January 1, 2015. Purchasers identified American Steel, ArcelorMittal, Berg Steel, JSW Steel, Global Industrial, Hyundai, Husteel, Nucor, SeAH, Skyline Steel, U.S. Steel, and Welspun as price

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<sup>4</sup> See Part II, table II-9 for more information.

leaders. Purchasers reported that these firms exhibited price leadership through price, delivery, their market size, and their raw material prices (for hot-rolled coil and CTL plate).

### **Bid process**

Thirty-five of 43 purchasers reported that they purchase LDWP using a bidding process. Most purchasers reported that they send requests for proposals which include project specifications.<sup>5</sup> Five purchasers stated that bids are sent to a list of qualified suppliers. More than half (18 of 35) of these purchasers indicated that they rarely/never allow/request sellers more than one chance to bid on a particular sales agreement; 13 purchasers reported that they sometimes allow/request sellers more than one bidding opportunity, and four purchasers reported that they usually allow/request sellers more than one bidding opportunity. The majority of purchasers indicated that they never discuss with suppliers the bids of competing firms.

Purchasers' responses to how often they permit suppliers to respond to invitations to bid with an offer that includes exceptions to their product specifications or alternative LDWP products in lieu of their specified products varied. Fourteen purchasers indicated that they sometimes permit suppliers to bid with an offer outside their specified products; 10 purchasers reported never; 6 purchasers reported always,<sup>6</sup> and 4 purchasers reported usually. Most

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<sup>5</sup> In an email request, staff asked the ten largest purchasers which submitted bid information to describe the type of information or documentation that their firm requests in a typical Request for Quotes ("RFQs") from suppliers. Staff also asked if a supplier typically includes a production history that demonstrates it has produced the pipe specs in the past when submitting a bid proposal, and if this documentation was required by the purchasers. Eight purchasers (\*\*\*) provided responses. Purchasers reported that in a RFQ, a supplier needs to provide a milestone schedule that includes steel, pipe conversion, coating, shipping, and delivery; price proposal; Manufacturing Procedure Specification (MPS) and Inspection and Test Plan (ITP) documents; any proposed exceptions to any project specifications; and any exceptions to the purchaser's terms and conditions. Purchaser \*\*\* reported that it also requires material test reports for raw material sources as well as the names of expected coil manufacturers and the chemistry, mechanical properties and thickness of the coil. Purchaser \*\*\* reported that it also requires welding procedure specification. Staff correspondence with purchasers, EDIS document number 661908.

All eight responding purchasers reported that their firm does not require a supplier to submit its production history when submitting a bid proposal. Purchasers \*\*\* stated that a supplier's capability is evaluated before it sends out RFQs to invited suppliers and that it requires prospective suppliers to have demonstrated the ability to meet its technical, quality and commercial requirements. \*\*\* stated that "\*\*\*." Purchasers \*\*\* reported that producers' capabilities are well known and would not request a production history unless it was a new supplier. Purchasers \*\*\* reported that production history is not required in the bid package, but that this information is strongly considered prior to awarding a bid. Staff correspondence with purchasers, EDIS document number 661908.

<sup>6</sup> Two of the largest purchasers (\*\*\*) indicated that they always permit suppliers to respond to invitations to bid with an offer that includes exceptions to their product specifications or alternative LDWP products in lieu of their specified products.

purchasers reported that they consider the technical requirements when evaluating bids that offer to supply a different combination of LDWP specifications for the same project. Other factors that purchasers consider are availability, quality, the application, delivery dates, price, reliability of the supplier, and payment terms. Half of responding purchasers (17 of 34) indicated that they never change the size, quantity, and/or grade requested for a project after the project has been awarded; 13 purchasers reported sometimes, three reported always, and two reported usually.<sup>7</sup>

## BID DATA

The Commission requested U.S. purchasers to provide the bid data for their five largest purchases of LDW line pipe and LDW structural pipe since January 1, 2015 that involved at least one bid from a U.S. producer and least one bid from a supplier of LDWP produced in Canada, China, Greece, India, Korea, or Turkey. Twenty-one purchasers provided information for 98 projects.<sup>8,9</sup> The majority of reported bids involved LDW line pipe. Six purchasers (\*\*\*) provided information for 21 projects that involved LDW structural pipe.<sup>10</sup> Thirty-one projects were awarded during 2015, 15 projects were awarded during 2016, 31 projects were awarded during 2017, and 15 projects were awarded during January-June 2018. The largest winning bids (by value) are shown in table V-3, all of which involve LDW line pipe.<sup>11</sup> Detailed bid data for all 98 projects are presented in Appendix F.

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<sup>7</sup> Two of the largest purchasers (\*\*\*) reported always and \*\*\* reported usually.

<sup>8</sup> Two purchasers specifically reported that they requested bids from only domestic producers. \*\*\*. \*\*\*. These two bids were not included in the bid data because they did not involve at least one supplier of LDWP produced in a subject country.

<sup>9</sup> Purchaser \*\*\* did not provide bid information in its questionnaire response. \*\*\*. Enbridge, formerly known as Spectra Energy, purchased LDW line pipe for the Valley Crossing pipeline project. U.S. producer Berg and Indian producer Welspun submitted bids on this project. Hearing transcript, pp. 70-71 (Riemer and Clark); and petitioners' posthearing brief, exhibit 2, p. 5. Spectra awarded the \*\*\* short ton project to Welspun from India. Welspun imported from India 48-inch outer diameter X70 LDW line pipe in 60 foot length for this project. Welspun's postconference brief, pp. 4-5; and petitioners' prehearing brief, exhibit 1. Parties dispute the reason the project was awarded to Welspun from India. \*\*\*. Petitioners' prehearing brief, exhibit 1. Respondents argue that the bid was awarded to Welspun India because no U.S. producer could meet the pipe specifications. Borusan's prehearing brief, p. 43. \*\*\*. \*\*\*. In the preliminary phase of these investigations, Welspun stated that no U.S. mill could produce that sized pipe in the United States. Hearing transcript, pp. 73 and 89 (Fisher). Petitioners provided documentation of \*\*\* for the Valley Crossing pipeline project \*\*\*. \*\*\*. Petitioners provided Spectra's \*\*\*. Petitioners provided documentation of Spectra \*\*\*. Petitioners' posthearing brief, exhibit 2, p. 5 and exhibits 30, 31 and 55.

<sup>10</sup> No purchaser reported bid information for a project that involved stainless steel structural pipe.

<sup>11</sup> Bids involving LDW structural pipe are presented in appendix F.

**Table V-3**

**LDWP: Largest winning bids reported by purchasers for projects involving at least one subject country and at least one domestic supplier, by year**

\* \* \* \* \*

In many LDWP projects, there was a wide range of quotes offered by both domestic and foreign suppliers. As shown in table V-4, bid quotes involving LDWP imported from subject countries were below bid quotes involving domestic LDWP in 66 of 110 instances; average underquoting was 19.1 percent. In the remaining 44 instances, quotes involving LDWP from subject countries were above quotes involving domestic LDWP; average overquoting was 10.3 percent.

**Table V-4**

**LDWP: Instances of underquoting/overquoting U.S.-origin bids and average margins, by country**

Source	All instances		Underquoting U.S. instances		Overquoting U.S. instances	
	Average under/(over) quoting vs. U.S. quotes (percent)	Number of instances	Average underquoting vs. U.S. quotes (percent)	Number of instances	Average overquoting vs. U.S. quotes (percent)	Number of instances
<b>LDWP:</b>	<b>LDWP</b>					
Canada	(0.2)	33	10.4	15	(9.0)	18
China	22.4	9	31.6	7	(10.0)	2
Greece	10.4	28	18.4	19	(6.4)	9
India	(1.1)	8	6.9	5	(14.3)	3
Korea subject	4.6	16	30.4	7	(15.4)	9
Turkey	15.7	16	21.9	13	(11.0)	3
Subject sources	7.3	110	19.1	66	(10.3)	44
Korea nonsubject	9.5	3	9.5	3	---	---
<b>LDW line pipe:</b>	<b>LDW line pipe</b>					
Canada	(0.1)	32	10.4	15	(9.5)	17
China	109.8	1	109.8	1	---	---
Greece	10.4	28	18.4	19	(6.4)	9
India	(1.1)	8	6.9	5	(14.3)	3
Korea subject	4.6	16	30.4	7	(15.4)	9
Turkey	15.7	16	21.9	13	(11.0)	3
Subject sources	7.1	101	19.1	60	(10.6)	41
Korea nonsubject	9.5	3	9.5	3	---	---
<b>LDW structural pipe:</b>	<b>LDW structural pipe</b>					
Canada	(0.9)	1	---	---	(0.9)	1
China	11.4	8	18.6	6	(10.0)	2
Greece	---	---	---	---	---	---
India	---	---	---	---	---	---
Korea subject	---	---	---	---	---	---
Turkey	---	---	---	---	---	---
Subject sources	10.1	9	18.6	6	(7.0)	3
Korea nonsubject	---	---	---	---	---	---

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

A U.S. producer was the winning bidder in 47 instances, a subject country supplier was the winner in 47 instances, and a nonsubject supplier was the winner in 9 instances.<sup>12</sup> In the 47 instances in which a subject country won part or all of the bid, purchasers gave the following reasons: lowest delivered costs, availability, delivery times, quality, shortest lead times, and only bidder capable of producing requested product.<sup>13</sup>

Table V-5 shows the number of instances in which the winning U.S. producer's final total delivered price was lower than all subject country suppliers' bids and the number of instances in which at least one subject country supplier's bid was lower than the winning U.S. producer's bid.<sup>14</sup> Similar data is shown for the bidding events in which a subject country supplier won the bid.

**Table V-5**  
**LDWP: Summary of winning bids, by source**

Source of winning bid	Number of winning bids	Winning bid was lowest price	Winning bid was not lowest price	Only one source reported	Winning bid lower than U.S.	Winning bid higher than U.S.
<b>LDWP:</b>	<b>LDWP</b>					
United States	47	17	20	10	NA	NA
Subject sources	47	14	16	17	23	5
Nonsubject sources	9	1	1	7	1	---
Total	103	32	37	34	--	--
<b>LDW line pipe:</b>	<b>LDW line pipe</b>					
United States	38	15	19	4	NA	NA
Subject sources	35	11	12	12	18	4
Nonsubject sources	4	1	1	2	1	---
Total	77	27	32	18	--	--
<b>LDW structural pipe:</b>	<b>LDW structural pipe</b>					
United States	9	2	1	6	NA	NA
Subject sources	12	3	4	5	5	1
Nonsubject sources	5	---	---	5	---	---
Total	26	5	5	16	--	--

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

<sup>12</sup> For four projects, the project was split among a domestic and subject country supplier. These partial awards are included in the instances of winning bidders.

<sup>13</sup> Purchaser \*\*\* reported that it awarded \*\*. It purchased LDWP from Greece because it was the only bidder that was able to supply LDW line pipe with an outer diameter of 26 inches and 1 inch thick which was required for the project specifications (\*\*). Purchaser \*\*\* reported that it awarded \*\*. It stated that it purchased LDW line pipe from Greece because other mills could not meet product specifications (\*\*\*) and delivery schedule.

<sup>14</sup> See appendix D for a summary of winning bids by source and product type.

For 34 LDWP projects, purchasers only identified the winning firm and did not provide information on the other firms which participated in the bid.<sup>15</sup> In just over half of the LDWP bidding events which identified multiple bidders, the award did not go to the supplier with the lowest delivered price. Of the LDWP bids which identified multiple bidders, a domestic producer's winning bid was the lowest price in 17 of 37 instances; and in 20 instances a domestic producer's winning bid was not the lowest price. Of the LDWP bids which identified multiple bidders, a subject country supplier's winning bid was the lowest price in 14 of 30 instances.<sup>16</sup> In 16 of 30 instances, a subject country supplier's winning bid was not the lowest price. Of these 16 instances, a domestic supplier quoted the lowest price but did not win the award in 5 instances; and in 11 instances another subject country supplier quoted the lowest price but did not win the award.

### **LOST SALES AND LOST REVENUE**

In the preliminary phase of the investigations, the Commission requested that U.S. producers of LDWP identify purchasers where they experienced instances of lost sales or revenue due to competition from imports of LDWP from Canada, China, Greece, India, Korea, or Turkey during January 2015-December 2017. Nine U.S. producers reported that they had lost sales and submitted lost sales and lost revenue allegations. U.S. producers identified 63 firms where they lost sales or revenue (50 consisting lost sales allegations, 1 consisting of lost revenue allegations, and 26 consisting of both types of allegations). Twenty-five allegations involved imports of LDWP from Canada; 31 allegations involved LDWP from China; 12 allegations involved LDWP from Greece; 8 allegations involved LDWP from India; 18 allegations involved LDWP from Korea; and 11 allegations involved LDWP from Turkey.<sup>17</sup> Allegations occurred throughout 2015-17, with the most number of allegations occurring in 2016.

In the final phase of these investigations, of the 14 responding U.S. producers, all 14 reported that they had to reduce prices, 8 reported that they had to roll back announced price increases, and all 14 firms reported that they had lost sales.

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<sup>15</sup> Subject imports won 17 bids in which only one source was provided.

<sup>16</sup> In 23 of 30 instances, a subject country's winning bid was priced lower than a domestic supplier's bid.

<sup>17</sup> The majority of allegations involving imports from Canada involved LDWP with an overall diameter between 18 inches and 24 inches. The pipe diameters involved in the allegations involving imports from China were evenly distributed between an overall diameter of 18 inches to 48 inches. The majority of allegations involving imports from Greece involved pipe diameters of 20 inches to 24 inches. The pipe diameters involved in the allegations involving imports from India ranged from 16 inches to 48 inches. The vast majority of allegations involving imports from Korea involved pipe diameters ranging between 20 inches and 24 inches. More than half of the allegations involving imports from Turkey involved pipe diameters between 30 inches and 42 inches.

Staff contacted 105 purchasers and received responses from 44 purchasers.<sup>18</sup> Responding purchasers reported purchasing and/or importing 6,534,024 short tons of LDWP during January 2015 through June 2018 (table V-6).

**Table V-6  
LDWP: Purchasers' responses to purchasing patterns**

Purchaser	Purchases and imports during January 2015 through June 2018 (short tons)			Change in domestic share <sup>2</sup> (pp, 2015-17)	Change in subject country share <sup>2</sup> (pp, 2015-17)
	Domestic	Subject	All other <sup>1</sup>		
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***	***	***	***	***	***

Table continued on next page.

<sup>18</sup> Four purchasers (\*\*\*) submitted lost sales/lost revenue survey responses in the preliminary phase, but did not submit purchaser questionnaire responses in the final phase.

Table V-6--Continued

LDWP: Purchasers' responses to purchasing patterns

Purchaser	Purchases and imports during January 2015 through June 2018 (short tons)			Change in domestic share <sup>2</sup> (pp, 2015-17)	Change in subject country share <sup>2</sup> (pp, 2015-17)
	Domestic	Subject	All other <sup>1</sup>		
***	***	***	***	***	***
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***	***	***	***	***	***
Total	3,939,535	2,134,916	459,573	(4.8)	5.6

<sup>1</sup> Includes all other sources and unknown sources.

<sup>2</sup> Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

During 2017, responding purchasers purchased and/or imported 54.2 percent from U.S. producers, 13.8 percent from Canada, 0.5 percent from China, 12.6 percent from Greece, 9.7 percent from India, 3.7 percent from Korea, 0.0 percent from Turkey, 3.4 percent from nonsubject countries, and 2.1 percent from “unknown source” countries (table V-7). Purchases of LDWP from the United States, China, Korea, Turkey and nonsubject sources decreased overall from 2015 to 2017 while purchases of LDWP from Canada, Greece, and India increased during the same period.



Table V-7

## LDWP: U.S. purchasers' purchases and imports, by source, 2015-17, and January to June 2018

Item	Calendar year			January to June 2018	Comparison years		
	2015	2016	2017		2015-17	2015-16	2016-17
	Quantity (short tons)				Change in quantity (percent)		
<b>U.S. purchasers' U.S. purchases and/or imports from:</b>							
United States	1,249,904	750,752	1,097,265	841,614	(12.2)	(39.9)	46.2
Canada	244,551	48,552	279,139	189,170	14.1	(80.1)	474.9
China	22,617	11,417	10,895	1,643	(51.8)	(49.5)	(4.6)
Greece	46,015	76,600	254,157	2,174	452.3	66.5	231.8
India	176,680	52,108	197,375	867	11.7	(70.5)	278.8
Korea subject	83,846	73,273	75,310	30,208	(10.2)	(12.6)	2.8
Turkey	162,175	6,150	---	89,994	(100.0)	(96.2)	(100.0)
Subject sources	735,884	268,100	816,876	314,056	11.0	(63.6)	204.7
Korea nonsubject	20,137	26,623	21,144	7,998	5.0	32.2	(20.6)
All other sources	60,608	107,258	47,945	33,428	(20.9)	77.0	(55.3)
Nonsubject sources	80,745	133,881	69,089	41,426	(14.4)	65.8	(48.4)
Unknown sources	51,298	22,472	41,658	19,004	(18.8)	(56.2)	85.4
All sources	2,117,831	1,175,205	2,024,888	1,216,100	(4.4)	(44.5)	72.3
	<b>Share of total (percent)</b>				<b>Change in share of quantity (percentage points)</b>		
<b>U.S. purchasers' U.S. purchases and/or imports from:</b>							
United States	59.0	63.9	54.2	69.2	(4.8)	4.9	(9.7)
Canada	11.5	4.1	13.8	15.6	2.2	(7.4)	9.7
China	1.1	1.0	0.5	0.1	(0.5)	(0.1)	(0.4)
Greece	2.2	6.5	12.6	0.2	10.4	4.3	6.0
India	8.3	4.4	9.7	0.1	1.4	(3.9)	5.3
Korea subject	4.0	6.2	3.7	2.5	(0.2)	2.3	(2.5)
Turkey	7.7	0.5	---	7.4	(7.7)	(7.1)	(0.5)
Subject sources	34.7	22.8	40.3	25.8	5.6	(11.9)	17.5
Korea nonsubject	1.0	2.3	1.0	0.7	0.1	1.3	(1.2)
All other sources	2.9	9.1	2.4	2.7	(0.5)	6.3	(6.8)
Nonsubject sources	3.8	11.4	3.4	3.4	(0.4)	7.6	(8.0)
Unknown sources	2.4	1.9	2.1	1.6	(0.4)	(0.5)	0.1
All sources	100.0	100.0	100.0	100.0	---	---	---

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

Of the 44 responding purchasers, 37 reported that, since 2015, they had purchased or imported LDWP from subject countries instead of U.S.-produced LDWP. Thirty-three of these purchasers reported that subject import prices were lower than U.S.-produced LDWP, and 23 of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced LDWP.<sup>19</sup> Twenty-two purchasers estimated the quantity of LDWP from subject countries purchased or imported instead of domestic product; quantities ranged from 100 short tons to 192,820 short tons, for a total of 703,390 short tons (tables V-8 and V-9). Purchasers most often identified availability as a primary non-price reason for purchasing imported rather than U.S.-produced LDWP. Other non-price reasons identified by purchasers included quality, lead time, product specifications, delivery time, and product range.

**Table V-8**  
**LDWP: Purchasers' responses to purchasing subject instead of domestic product, by firm**

\* \* \* \* \*

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<sup>19</sup> Purchasers responded separately for their purchases of LDW line pipe and LDW structural pipe. Thirty-two purchasers reported that they had purchased or imported LDW line pipe from subject countries instead of U.S.-produced LDW line pipe. Twenty-nine of these purchasers reported that subject import prices of LDW line pipe were lower than U.S.-produced LDW line pipe, and 20 of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced LDW line pipe. Twelve purchasers reported that they had purchased or imported LDW structural pipe from subject countries instead of U.S.-produced LDW structural pipe. Ten of these purchasers reported that subject import prices of LDW structural pipe were lower than U.S.-produced LDW structural pipe, and eight of these purchasers reported that price was a primary reason for the decision to purchase imported LDW structural pipe rather than U.S.-produced LDW structural pipe.

**Table V-9**  
**LDWP: Purchasers' responses to purchasing subject instead of domestic product, by country and product type**

Source	Count of purchasers reporting subject instead of domestic	Count of purchasers reporting that imports were priced lower	Count of purchasers reporting that price was a primary reason for purchasing subject imports	Quantity of subject purchased (short tons)
<b>LDWP:</b>				
Canada	17	9	5	***
China	15	14	12	***
Greece	10	7	4	***
India	5	5	4	***
Korea subject	27	24	17	***
Turkey	4	4	2	***
Subject sources	37	33	23	703,390
<b>LDW line pipe:</b>				
Canada	14	8	4	***
China	11	10	9	***
Greece	10	7	4	***
India	5	5	4	***
Korea subject	27	24	17	***
Turkey	4	4	2	***
Subject sources	32	29	20	692,144
<b>LDW structural pipe:</b>				
Canada	3	1	1	***
China	8	7	6	***
Greece	---	---	---	***
India	1	1	1	***
Korea subject	5	4	3	***
Turkey	---	---	---	***
Subject sources	12	10	8	11,246

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

Of the 8 responding purchasers, 3 reported that U.S. producers had reduced prices in order to compete with lower-priced imports from Canada (tables V-10 and V-11); 32 reported that they did not know). Two purchasers reported estimated price reductions for domestic LDW line pipe of 3.2 and 5.5 percent.

**Table V-10**  
**LDWP: Purchasers' responses to U.S. producer price reductions, by firm**

\* \* \* \* \*

**Table V-11**  
**LDWP: Purchasers' responses to U.S. producer price reductions, by country**

<b>Source</b>	<b>Count of purchasers reporting U.S. producers reduced prices</b>	<b>Simple average of estimated U.S. price reduction (percent)</b>	<b>Range of estimated U.S. price reductions (percent)</b>
Canada	3	4.4	3.2 - 5.5
China	---	---	---
Greece	---	---	---
India	---	---	---
Korea subject	---	---	---
Turkey	---	---	---
Subject sources	3	4.4	3.2 - 5.5

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

## PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

### BACKGROUND

Fifteen U.S. producers \*\*\* provided financial data on their operations of LDWP.<sup>1</sup> These data are believed to account for the vast majority of U.S. production of LDWP in 2017.<sup>2</sup> One firm \*\*\* reported internal consumption and no firm reported transfers to related firms. With respect to their U.S. operations, two producers \*\*\* reported purchasing inputs from related parties in 2017.<sup>3 4</sup>

In 2015 and 2016, five firms \*\*\* reported expanding their operations of LDWP by installing new equipment to increase efficiency.<sup>5</sup> In December 2016, Dura-Bond purchased all of

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<sup>1</sup> Financial results were reported on the basis of generally accepted accounting principles (GAAP). \*\*\*.

Commission staff conducted a verification of Dura-Bond's U.S. producer questionnaire response. As a result of verification, Dura-Bond revised its capacity for January-June 2018 and asset values for all periods. Data changes pursuant to verification are reflected in this and other relevant sections of the staff report. Staff verification report, Dura-Bond, November 21, 2018.

<sup>2</sup> \*\*\* and \*\*\* submitted incomplete U.S. producer questionnaires with no financial data and therefore are not included in this section of the report. \*\*\* reported approximately \*\*\* short tons of total shipments of LDW line pipe in 2017, \*\*\* API grades below X-70 \*\*\* sold to distributors, as well as approximately \*\*\* short tons of LDW structural pipe in 2017, \*\*\* ASTM A252 pipe sold to distributors and end users other than oil and gas end users. \*\*\* reported total shipments of approximately \*\*\* short tons of stainless steel LDW structural pipe in 2017, \*\*\* ASTM A139 pipe \*\*\* sold to end users other than oil and gas end users. These two firms' combined total shipments are equivalent to less than 3 percent of reported total shipments in 2017.

<sup>3</sup> \*\*\*. Evraz reported that prior to idling in April 2016, its Portland LDWP facility sourced input steel coil from related parties at arms-length transfer prices. U.S. producer questionnaires, III-7, III-8, III-17, and III-18.

<sup>4</sup> The Commission's current practice requires that relevant cost information associated with input purchases from related suppliers correspond to the manner in which this information is reported in the U.S. producer's own accounting books and records.

<sup>5</sup> U.S. producer questionnaires, II-4.

the pipe making assets, software, and spare parts of the former U.S. Steel's idled McKeesport, Pennsylvania ERW mill that manufactured LDWP for \$\*\*\*.<sup>6</sup> \*\*\*.<sup>7</sup>

Starting in 2016 through January-June 2018, ten firms reported prolonged shutdowns and reductions in shifts at various times (detailed in table III-3).<sup>8</sup> In addition, Evraz idled its only U.S. LDWP facility (an HSAW mill) in Portland, Oregon in April 2016.<sup>9</sup>

## OPERATIONS ON LDWP

Table VI-1 presents aggregated financial data on U.S. producers' operations of LDWP, while table VI-2 presents the corresponding changes in average unit values. Table VI-3 presents selected company-specific financial data. The reported aggregate net sales quantity declined by 29.4 percent from 2015 to 2017, while the aggregate net sales value declined by 36.5 percent. Aggregated cost of goods sold ("COGS") declined by 34.7 percent. Selling, general, and administrative ("SG&A") expenses declined by 31.3 percent from 2015 to 2017. As a result of larger declines in revenue compared to COGS and SG&A expenses, aggregated gross profit and operating income declined by 48.0 percent and 63.7 percent, respectively. Operating income decreased by 91.7 percent from 2015 to 2016 then increased by 335.8 from 2016 to 2017.<sup>10</sup> Net income increased by 9.9 percent from 2015 to 2017. The increase in net income for the aggregated U.S. industry in 2017 reflects, in part, the data of \*\*\*, as well as a \*\*\*. Despite lower net sales quantity in January-June 2018 than January-June 2017, net sales value was higher, exceeding the growth in COGS and SG&A and resulting in higher gross profit and operating income, but with a net loss due to higher interest and other expenses.<sup>11</sup>

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<sup>6</sup> The land and buildings of the McKeesport mill is owned by Regional Industrial Development Corp. ("RIDC"). RIDC is a not-for-profit, privately funded organization with the mission of "catalyz{ing} and support{ing} economic growth and high quality job creation through real estate development and finance of projects that advance the public interest." RIDC stated that "it's been redeveloping and remediating the National Tube site since 1990. U.S. Steel resumed operations there for three years, then announced in August 2014 it would idle the plant, citing the effect of imported products." Dura-Bond further explained that the \*\*\*. In addition, the \*\*\*. Dura-Bond is \*\*\*. RIDC, Dura-Bond, and TribLive websites, <http://ridc.org/view-property/mckeesport/>, <http://ridc.org/about/>, <https://www.dura-bond.com/news/>, and <http://triblive.com/local/westmoreland/11767641-74/bond-company-dura>, retrieved February 17, 2017, conference transcript, pp. 31 and 34 (Norris); \*\*\*, email response, February 21, 2018; and, staff verification report, Dura-Bond, November 21, 2018.

<sup>7</sup> \*\*\*. \*\*\*'s U.S. producer questionnaire, II-2 and II-3f.

<sup>8</sup> Three of the largest producers (\*\*\*) reduced operations or partially idled their facilities from 2016 and 2017. Berg and Stupp testified to idling their mills for several months in 2016 and/or 2017, with reduced shifts when these mills restarted. \*\*\*. U.S. producer questionnaires, II-4 and conference transcript, pp. 24-26 (Reimer), p. 29 (Stupp).

<sup>9</sup> Evraz explained \*\*\*. \*\*\*, email response, February 8, 2018.

<sup>10</sup> The positive operating income in 2015 was mostly due to \*\*\* while the large decline in 2016 was due to operating losses of \*\*\*. The increase in operating income in 2017 was mostly attributable to \*\*\*.

<sup>11</sup> The net losses in January-June 2018 was mostly attributable \*\*\* in January-June 2018 than in January-June 2017.

Table VI-1

LDWP: Results of operations of U.S. producers, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Quantity (short tons)</b>				
Total net sales	1,833,035	1,524,882	1,294,681	588,474	577,826
	<b>Value (1,000 dollars)</b>				
Total net sales	2,189,467	1,606,341	1,390,638	624,549	698,873
Cost of goods sold.--					
Raw materials	1,465,430	1,156,375	945,558	423,067	468,626
Direct labor	192,797	163,077	132,899	63,017	70,311
Other factory costs	241,395	158,325	161,340	75,856	86,289
Total COGS	1,899,622	1,477,777	1,239,797	561,940	625,226
Gross profit	289,845	128,564	150,841	62,609	73,647
SG&A expense	140,792	116,133	96,667	47,294	56,223
Operating income or (loss)	149,053	12,431	54,174	15,315	17,424
Interest expense	25,078	30,206	26,458	13,096	14,668
All other expenses	118,768	60,571	13,246	6,708	11,578
All other income	21,553	20,534	14,947	8,916	8,126
Net income or (loss)	26,760	(57,812)	29,417	4,427	(696)
Depreciation/amortization	69,789	73,247	68,426	34,062	34,384
Cash flow	96,549	15,435	97,843	38,489	33,688
	<b>Ratio to net sales (percent)</b>				
Cost of goods sold.--					
Raw materials	66.9	72.0	68.0	67.7	67.1
Direct labor	8.8	10.2	9.6	10.1	10.1
Other factory costs	11.0	9.9	11.6	12.1	12.3
Average COGS	86.8	92.0	89.2	90.0	89.5
Gross profit	13.2	8.0	10.8	10.0	10.5
SG&A expense	6.4	7.2	7.0	7.6	8.0
Operating income or (loss)	6.8	0.8	3.9	2.5	2.5
Net income or (loss)	1.2	(3.6)	2.1	0.7	(0.1)
	<b>Ratio to total COGS (percent)</b>				
Cost of goods sold.--					
Raw materials	77.1	78.3	76.3	75.3	75.0
Direct labor	10.1	11.0	10.7	11.2	11.2
Other factory costs	12.7	10.7	13.0	13.5	13.8
Average COGS	100.0	100.0	100.0	100.0	100.0

Table continued.

**Table VI-1--Continued**

**LDWP: Results of operations of U.S. producers, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Unit value (dollars per short ton)</b>				
Total net sales	1,194	1,053	1,074	1,061	1,209
Cost of goods sold.--					
Raw materials	799	758	730	719	811
Direct labor	105	107	103	107	122
Other factory costs	132	104	125	129	149
Average COGS	1,036	969	958	955	1,082
Gross profit	158	84	117	106	127
SG&A expense	77	76	75	80	97
Operating income or (loss)	81	8	42	26	30
Net income or (loss)	15	(38)	23	8	(1)
	<b>Number of firms reporting</b>				
Operating losses	4	6	4	6	7
Net losses	5	7	6	6	9
Data	15	15	14	14	15

Note.--Data for 2017 exclude expenses reported by \*\*\*.

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

**Table VI-2**

**LDWP: Changes in AUVs, between calendar years and between partial year periods**

Item	Between calendar years			Between partial year period
	2015-17	2015-16	2016-17	2017-18
	<b>Change in AUVs (dollars per short ton)</b>			
Total net sales	(120)	(141)	21	148
Cost of goods sold.--				
Raw materials	(69)	(41)	(28)	92
Direct labor	(3)	2	(4)	15
Other factory costs	(7)	(28)	21	20
Average COGS	(79)	(67)	(12)	127
Gross profit	(42)	(74)	32	21
SG&A expense	(2)	(1)	(1)	17
Operating income or (loss)	(39)	(73)	34	4
Net income or (loss)	8	(53)	61	(9)

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



Table VI-3

LDWP: Selected results of operations of U.S. producers, by firm, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Total net sales (short tons)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total net sales quantity	1,833,035	1,524,882	1,294,681	588,474	577,826
	<b>Total net sales (1,000 dollars)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total net sales value	2,189,467	1,606,341	1,390,638	624,549	698,873
	<b>COGS (1,000 dollars)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total COGS	1,899,622	1,477,777	1,239,797	561,940	625,226
	<b>Gross profit or (loss) (1,000 dollars)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total gross profit or (loss)	289,845	128,564	150,841	62,609	73,647

Table continued.

Table VI-3--Continued

LDWP: Selected results of operations of U.S. producers, by firm, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>SG&amp;A expenses (1,000 dollars)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total SG&A expenses	140,792	116,133	96,667	47,294	56,223
	<b>Operating income or (loss) (1,000 dollars)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total operating income or (loss)	149,053	12,431	54,174	15,315	17,424
	<b>Net income or (loss) (1,000 dollars)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total SG&A expenses	26,760	(57,812)	29,417	4,427	(696)
	<b>COGS to net sales ratio (percent)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total operating income or (loss)	86.8	92.0	89.2	90.0	89.5

Table continued.

Table VI-3--Continued

LDWP: Selected results of operations of U.S. producers, by firm, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Gross profit or (loss) to net sales ratio (percent)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average SG&A expense to net sales ratio	13.2	8.0	10.8	10.0	10.5
	<b>SG&amp;A expense to net sales ratio (percent)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average SG&A expense to net sales ratio	6.4	7.2	7.0	7.6	8.0
	<b>Operating income or (loss) to net sales ratio (percent)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average operating income or (loss) to net sales ratio	6.8	0.8	3.9	2.5	2.5
	<b>Net income or (loss) to net sales ratio (percent)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average net income or (loss) to net sales ratio	1.2	(3.6)	2.1	0.7	(0.1)

Table continued.

Table VI-3--Continued

LDWP: Selected results of operations of U.S. producers, by firm, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Unit net sales value (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit net sales value	1,194	1,053	1,074	1,061	1,209
	<b>Unit raw materials (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit raw materials	799	758	730	719	811
	<b>Unit direct labor (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit direct labor	105	107	103	107	122
	<b>Unit other factory costs (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit other factory costs	132	104	125	129	149

Table continued.

Table VI-3--Continued

LDWP: Selected results of operations of U.S. producers, by firm, 2015-17, January to June 2017, and January to June 2018

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Unit COGS (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit COGS	1,036	969	958	955	1,082
	<b>Unit gross profit or (loss) (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit gross profit or (loss)	158	84	117	106	127
	<b>Unit SG&amp;A expenses (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit SG&A expense	77	76	75	80	97
	<b>Unit operating income or (loss) (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit operating income or (loss)	81	8	42	26	30

Table continued.

**Table VI-3--Continued**

**LDWP: Selected results of operations of U.S. producers, by firm, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	<b>Unit net income or (loss) (dollars per short ton)</b>				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Average unit net income or (loss)	15	(38)	23	8	(1)

Note.--Data for 2017 exclude expenses reported by \*\*\*.

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

### Net sales

As presented in tables VI-1 and VI-3, net sales quantity and value declined each year from 2015 to 2017. Net sales quantity was lower in January-June 2018 than in January-June 2017 but net sales value was higher. In 2015 and 2016, \*\*\* was the industry leader in net sales quantity \*\*\* and value \*\*\* but in 2017, \*\*\* declined to the \*\*\* largest producer in terms of net sales. As reported earlier, \*\*\*.<sup>12</sup> In contrast, \*\*\* was the \*\*\* largest producer in terms of net sales of LDWP in 2015 but by 2017 had the highest net sales of \*\*\* and \*\*\*.<sup>13</sup> \*\*\*'s net sales quantity and value were lower in January-June 2018 than in January-June 2017.

On a per-short ton basis, revenue decreased from \$1,194 in 2015 to \$1,053 in 2016 before increasing slightly to \$1,074 in 2017 and was higher in January-June 2018 than in January-June 2017. Eleven firms reported declining per-short ton net sales values from 2015 to 2017 while four firms \*\*\* reported increases in per-short ton net sales values. All but two firms \*\*\* reported higher per-short ton sales value in January-June 2018 than in January-June 2017.

### COGS and gross profit or (loss)

As shown in table VI-1, raw materials represent the single largest component of total COGS, at 77.1 percent in 2015, 78.3 percent in 2016, 76.3 percent in 2017, 75.4 in January-June 2017, and 75.1 in January-June 2018. As shown in table VI-3, average raw material costs, direct labor, and other factory costs varied greatly from company to company. These cost differences may reflect underlying differences in input costs (hot-rolled steel coil, cut-to-length plate, or stainless steel plates), OD, wall thickness, and length in the three manufacturing processes, as

<sup>12</sup> \*\*\*. \*\*\*'s U.S. producer questionnaire, II-11.

<sup>13</sup> \*\*\*. \*\*\* to \*\*\*, email response, February 5, 2018 and \*\*\*.

well as project-based customer requirements.<sup>14</sup> The three stainless steel LDW structural pipe producers \*\*\* reported much higher per-short ton raw material costs in all periods examined (ranging from \$\*\*\* to \$\*\*\*) while the twelve non-stainless steel producers' costs ranged from \$\*\*\* to \$\*\*\*.<sup>15</sup> Aggregated for all responding producers, raw material costs decreased from 2015 to 2017, in both absolute value and per-short ton.<sup>16</sup> Raw material costs were higher in January-June 2018 than in January-June 2017 in both absolute and per-short ton values.

Direct labor costs ranged from 10.1 percent to 11.0 percent of total COGS and decreased from 2015 to 2017 in both absolute value and on a per-short ton basis.<sup>17</sup> Similar to direct labor costs, other factory costs ranged from 10.7 percent to 13.8 percent of total COGS, and decreased in both absolute value and on a per-short ton basis from 2015 to 2017. Direct labor and other factory costs were higher in January-June 2018 than in January-June 2017 in both absolute and per-short ton values. As a ratio to net sales, per-short ton COGS increased from 86.8 percent in 2015, to 92.0 percent in 2016, then declined to 89.2 percent in 2017; per-short ton COGS ratio to net sales were lower in January-June 2018 than in January-June 2017.

Table VI-1 shows that producers' aggregate gross profit declined from \$289.8 million in 2015 to \$128.6 million in 2016 before increasing to \$150.8 million in 2017. Gross profit was higher in January-June 2018 than in January-June 2017.

### **SG&A expenses and operating income or (loss)**

As shown in tables VI-1 and VI-3, the industry's SG&A expense ratios (i.e., total SG&A expenses divided by net sales) were fairly constant, ranging from 6.4 percent to 7.2 percent from 2015 to 2017 and were higher in January-June 2018 than in January-June 2017.<sup>18</sup> A few U.S. producers reported low or zero selling expenses for their LDWP operations due to the

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<sup>14</sup> \*\*\*. \*\*\*.

<sup>15</sup> \*\*\* reported the highest per-short ton raw materials in 2015 and 2016, but reported one of the lowest raw material costs per-short ton in 2017. \*\*\*. \*\*\*. \*\*\* reported the lowest per-short ton raw material costs of all producers throughout the period examined. \*\*\*. U.S. producer questionnaires, II-3f, III-9a, III-10, III-19a, and III-20; \*\*\*, email response, November 14, 2018; and, \*\*\*.

<sup>16</sup> One firm, \*\*\*, reported non-recurring charges in raw materials from inventory valuation using LCM (lower-of-cost-or-market) adjustments of \$\*\*\* in 2015 and \$\*\*\* in 2016. \*\*\*'s U.S. producer questionnaire, III-11 and III-12.

<sup>17</sup> \*\*\* reported non-recurring charges of \$\*\*\* in 2015 and \$\*\*\* in 2016 for severance that were included in labor costs and SG&A expenses. \*\*\*'s reported labor cost per-short ton increasing by \*\*\* percent from 2015 to 2016 due to shutdowns in both of its plants for parts of the year and retraining new and recalled employees. In 2017, \*\*\*. \*\*\*'s U.S. producer questionnaire, III-11, III-12, III-21, and III-22.

<sup>18</sup> \*\*\* reported non-recurring charges that were included in SG&A of \$\*\*\* unabsorbed cost of manufacturing facility and \$\*\*\* unabsorbed cost of coating facility in 2016; and \$\*\*\* unabsorbed cost of manufacturing facility and \$\*\*\* unabsorbed cost of coating facility in 2017; and \$\*\*\* unabsorbed cost of pipe manufacturing facility in January-June 2018. \*\*\*'s U.S. producer questionnaire, III-11 and III-12.

project nature of LDWP sales.<sup>19</sup> Selling expenses were approximately half of total SG&A costs, decreasing consistently from 2015 to 2017 but were higher in January-June 2018 than in January-June 2017.

Operating income decreased sharply from \$149.1 million in 2015 to \$12.4 million in 2016 before increasing to \$54.2 million in 2017. Operating income was higher in January-June 2018 than in January-June 2017. Aggregated for the industry, operating margins (i.e. operating income divided by net sales) fluctuated, from 6.8 percent in 2015, down to 0.8 percent in 2016, and then up to 3.9 percent in 2017. Operating margins were the same in both January-June 2017 and January-June 2018.

Table VI-3 presents specific data on the top five U.S. producers. Individually, nine firms \*\*\* experienced operating losses in one or more years from 2015 to 2017. Out of all fifteen U.S. producers \*\*\* reported the greatest improvements in operating income from 2015 to 2017, with operating margins of \*\*\* percent in 2015, \*\*\* percent in 2016, and \*\*\* percent in 2017; however, \*\*\* reported an operating loss of \$\*\*\* and a negative margin of \*\*\* in January-June 2018 compared with operating income \$\*\*\* and a positive margin of \*\*\* in January-June 2017.<sup>20</sup> As noted earlier, \*\*\* explained its improved margins and net profits as the result of \*\*\*.<sup>21</sup> U.S. producer' operating margin trends varied from firm-to-firm from 2015 to 2017.<sup>22</sup> Aggregated, operating margins for January-June 2018 remained the same as January-June 2017 despite opposite trends for individual firms.<sup>23</sup>

Firm-by-firm analysis reveals that unit direct labor, unit other factory costs, and unit SG&A expenses varied substantially among firms due to product mix, different cost accounting

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<sup>19</sup> Berg, Dura-Bond, and Stupp testified that LDWP producers are invited to bid on specific projects based on pre-qualification or AML list. Hearing transcript, p. 103 (Norris), p. 104 (Reimer), and pp. 104 and 112, 124, 132 (Clark).

<sup>20</sup> \*\*\* stainless steel structural pipe producers \*\*\* reported lower operating income than \*\*\* in 2017 of \*\*\*, but had higher operating margins \*\*\*, respectively.

<sup>21</sup> \*\*\* to \*\*\*, email response, February 5, 2018 and \*\*\*.

<sup>22</sup> \*\*\* reported negative and continually declining operating margins, from \*\*\* percent in 2015 to \*\*\* percent in 2016 and then to \*\*\* percent in 2017. \*\*\*'s operating margin also consistently declined from a positive operating margin of \*\*\* percent in 2015 to \*\*\* percent in 2016, and further declined to a negative margin of \*\*\* percent in 2017. Two firms, \*\*\* experienced fluctuating operating margins, with 2016 being the worst year for operating margins for both \*\*\*.

<sup>23</sup> In addition to \*\*\*'s decline in operating margins for January-June 2018 compared to the same period in 2017, several other firms also reported changing trends for this period. \*\*\* reported lower operating margins in January-June 2018 than in January-June 2017 while \*\*\* and all other firms reported higher operating margins.



systems, and firm-specific events, resulting in large fluctuations in per-unit operating income/loss among firms.<sup>24 25 26</sup>

## Other expenses and income

In 2015 and 2016, three firms \*\*\* reported very large other expenses, resulting in a substantial decrease in other expenses from 2015 to 2017.<sup>27 28</sup> In 2016, the majority of all other expenses \*\*\* were attributable to \*\*\*.<sup>29</sup> Overall, all other expenses, decreased from 2015 to 2017 largely due to these non-recurring expenses reported in 2015 and 2016 and were higher in January-June 2018 than in January-June 2017. Interest expenses fluctuated, increasing by 5.5 percent from 2015 to 2017 and were higher in January-June 2018 than in January-June 2017.

Eleven firms, \*\*\*, reported all other income in at least one period from 2015 to 2017, with \*\*\* accounting for the majority of the all other income \*\*\*.<sup>30</sup> All other income was lower in January-June 2018 than in January-June 2017.

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<sup>24</sup> \*\*\* (producers of stainless steel LDW structural pipe) reported positive per-short ton operating income in \*\*\* five periods, ranging from \$\*\*\* to \$\*\*\*. Calculated from U.S. producer questionnaires, III-19a and III-20.

<sup>25</sup> Ten firms used standard cost accounting system; three firms \*\*\* used job order costing system; one firm \*\*\* used actual cost; and, one firm \*\*\* used batch order costing. These variations in the firms' accounting systems may contribute to the large variations in per-short ton operating income/loss, ranging from a loss of \$\*\*\* per-short ton \*\*\* to an income of \$\*\*\* per-short ton \*\*\*. U.S. producer questionnaires, III-3, III-4a, III-4b, III-9a, and III-19a.

<sup>26</sup> A variance analysis is not presented in this report due to differences in product mix, projects, and large expenses incurred from plant shutdowns and closure. The discussion of COGS, gross profit/loss, SG&A expenses, and operating income, as shown in tables VI-1 and VI-3, mirrors the results of a variance analysis in these investigations. That is, the decline in net income from 2015 to 2017, as well as between the comparable interim periods, reflects a price decline combined with increases in average operating costs and non-recurring expenses. Firms also reported different product mix, a variety of production processes, and fluctuating operating status over the period examined (with large expenses incurred from plant shutdowns and closures) which make a variance analysis less meaningful.

<sup>27</sup> \*\*\* reported non-recurring charges that were included in all other expenses of \$\*\*\* for foreign currency hedge losses in 2015 and a non-recurring gain included in all other income of \$\*\*\* from a provision booked in prior period in 2016. \*\*\*'s U.S. producer questionnaire, III-11 and III-12.

<sup>28</sup> \*\*\* reported non-recurring charges that were included in all other expenses of \$\*\*\* for impairment of goodwill and \$\*\*\* for impairment of fixed assets. \*\*\*'s U.S. producer questionnaire, III-11 and III-12.

<sup>29</sup> \*\*\* reported non-recurring charges that were included in all other expenses of \$\*\*\* in 2015; \$\*\*\* in 2016 and \$\*\*\* in 2017 for asset impairment. \*\*\*'s U.S. producer questionnaire, III-11, III-12, III-21, and III-22.

<sup>30</sup> \*\*\*'s U.S. producer questionnaire, III-11, III-12, III-21, and III-22.

## Net income or (loss)

Net income decreased sharply from \$26.8 million in 2015 to a net loss of \$(57.8 million) in 2016, before increasing to a net income of \$29.4 million in 2017; net income was lower in January-June 2018 than in January-June 2017. The net loss in 2016 is primarily explained by \*\*\* and \*\*\*. Combined, net profit margins for U.S. producers of LDWP were 1.2 percent in 2015, decreased to a negative margin of (3.6) percent in 2016, before improving to 2.1 percent in 2017; net profit margins were lower in January-June 2018 than in January-June 2017.

## CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT (“R&D”) EXPENSES

Table VI-4 presents capital expenditures and R&D expenses. Aggregated capital expenditures declined sharply from 2015 to 2016 and declined again in 2017, and were lower in January-June 2018 than in January-June 2017. The vast majority of capital expenditure declines over the period is explained by \*\*\* which resulted in high capital spending in 2015.<sup>31</sup> From 2015 to 2016, four firms \*\*\* reported increases in capital expenditures, with \*\*\*. \*\*\* reported an increase in capital spending of almost \$\*\*\* from 2015 to 2016 from the purchase of \*\*\*. \*\*\* also reported increases in capital spending from 2015 to 2016, explaining that its 2016 budgeted spending was \$\*\*\*. U.S. producers other than stainless steel LDW structural pipe producers \*\*\* reported declines in capital expenditures from 2016 to 2017. Aggregated R&D increased slightly from 2015 to 2017, with 2016 showing the highest R&D expenditure; R&D expenditures were higher in January-June 2018 than in January-June 2017. Firms reported R&D expenses related to development and testing of LDWP products.

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<sup>31</sup> \*\*\*. \*\*\*, email response, February 20, 2018.

**Table VI-4**  
**LDWP: U.S. producers' capital expenditures and R&D expenses, by firm, 2015-17, January to June 2017, and January to June 2018**

Item	Calendar year			January to June	
	2015	2016	2017	2017	2018
	Capital expenditures (1,000 dollars)				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total capital expenditures	88,368	48,098	24,088	13,239	8,349
	R&D expenses (1,000 dollars)				
Dura-Bond	***	***	***	***	***
ACIPCO	***	***	***	***	***
Berg	***	***	***	***	***
Stupp	***	***	***	***	***
Welspun	***	***	***	***	***
All other firms	***	***	***	***	***
Total R&D expenses	***	***	***	***	***

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

## ASSETS AND RETURN ON ASSETS (“ROA”)

Table VI-5 presents data on the U.S. producers’ total assets and their ROA. ROA is calculated as the ratio of operating income (or loss) to total assets. Total assets declined from 2015 to 2017 while ROA fluctuated during this period. From 2015 to 2017, \*\*\* reported the largest increase in total net assets by \$\*\*\* while \*\*\* and \*\*\* reported the largest decrease in total net assets by value, or by \$\*\*\* and \$\*\*\*, respectively.<sup>32 33</sup>

**Table VI-5**  
**LDWP: U.S. producers’ total assets and return on assets, by firm, 2015-17**

Firm	Calendar years		
	2015	2016	2017
	<b>Total net assets (1,000 dollars)</b>		
Dura-Bond	***	***	***
ACIPCO	***	***	***
Berg	***	***	***
Stupp	***	***	***
Welspun	***	***	***
All other firms	***	***	***
Total net assets	1,954,315	1,526,679	1,377,943
	<b>Operating return on assets (percent)</b>		
Dura-Bond	***	***	***
ACIPCO	***	***	***
Berg	***	***	***
Stupp	***	***	***
Welspun	***	***	***
All other firms	***	***	***
Average operating ROA	7.6	0.8	3.9

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

<sup>32</sup> \*\*\*’s asset increase is a result of the \*\*\*. \*\*\*’s U.S. producer questionnaire, III-23.

<sup>33</sup> \*\*\* explained that the decrease in assets was caused by decreasing inventory levels. Specifically for \*\*\*. \*\*\* had the highest percentage decrease \*\*\* in total assets from 2015 to 2017, resulting from \*\*\*. U.S. producer questionnaires, III-13 and III-23 and \*\*\*.

## CAPITAL AND INVESTMENT

The Commission requested U.S. producers of LDWP to describe any actual or potential negative effects of imports of LDWP from Canada, China, Greece, India, Korea, and Turkey on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Tables VI-6 tabulate the responses of the responding U.S. producers on their LDWP operations. Tables VI-7 and VI-8 present the detailed narrative responses of U.S. producers regarding actual and anticipated negative effects of subject imports on their line and structural pipe operations, respectively. \*\*\* did not report any negative effects on LDWP investment from imports while other \*\*\* reported negative effects on LDWP investments from imports. \*\*\* did not report any negative effects on their firms' growth and development as a result of imports and their explanations are provided in tables VI-7 and VI-8.

**Table VI-6**

**LDWP: Actual and anticipated negative effects of imports on investment and growth and development for LDW line and structural pipe, since January 1, 2015**

Item	No	Yes
<b>Negative effects on investment for LDWP</b>	<b>1</b>	<b>13</b>
<b>Specific to LDW line pipe:</b>		
Cancellation, postponement, or rejection of expansion projects		5
Denial or rejection of investment proposal		1
Reduction in the size of capital investments		5
Return on specific investments negatively impacted		5
Other		3
<b>Specific to LDW structural pipe:</b>		
Cancellation, postponement, or rejection of expansion projects		6
Denial or rejection of investment proposal		3
Reduction in the size of capital investments		8
Return on specific investments negatively impacted		8
Other		6
<b>Negative effects on growth and development for LDWP</b>	<b>4</b>	<b>10</b>
<b>Specific to LDW line pipe:</b>		
Rejection of bank loans		1
Lowering of credit rating		2
Problem related to the issue of stocks or bonds		0
Ability to service debt		3
Other		4
<b>Specific to LDW structural pipe:</b>		
Rejection of bank loans		2
Lowering of credit rating		2
Problem related to the issue of stocks or bonds		0
Ability to service debt		4
Other		7
<b>Anticipated negative effects of imports for LDW line pipe</b>	<b>0</b>	<b>7</b>
<b>Anticipated negative effects of imports for LDW structural pipe</b>	<b>0</b>	<b>13</b>

Note.--\*\*\*.

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

**Table VI-7**

**LDW line pipe: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development on LDW line pipe, since January 1, 2015**

\* \* \* \* \*

**Table VI-8**

**LDW structural pipe: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development on LDW structural pipe, since January 1, 2015**

\* \* \* \* \*

## PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

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

*In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors<sup>1</sup>--*

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
- (V) inventories of the subject merchandise,*

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

- (VI) *the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*
- (VII) *in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) *the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) *any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).<sup>2</sup>*

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

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



## THE INDUSTRY IN CANADA

The Commission issued a foreign producer/exporter questionnaires to one firm, Evraz Inc., NA Canada and Canadian National Steel Corporation (“Evraz”),<sup>3</sup> believed to be the only producer of LDWP in Canada.<sup>4</sup> A completed response to the Commission’s questionnaire was received by this firm. Evraz (Canada)’s exports to the United States accounted for \*\*\* U.S. imports of LDWP from Canada in 2017. According to information requested of the responding Canadian producer, Evraz’ production of LDWP in Canada accounted for \*\*\* percent of production of all LDWP in Canada in 2017.<sup>5</sup> Table VII-1 presents information on the LDWP operations of Evraz in Canada.

**Table VII-1**  
**LDWP: Summary data for Canadian producer Evraz, 2017**

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)
Evraz	***	100.0	***	100.0	***	***
Total	***	100.0	***	100.0	***	***

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

### Changes in operations

As presented in table VII-2, Canadian producer Evraz reported several operational and organizational changes since January 1, 2015.

**Table VII-2**  
**LDWP: Canadian producer Evraz’s reported changes in operations, since January 1, 2015**

\* \* \* \* \*

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<sup>3</sup> \*\*\*, while the parent company, Evraz PLC is a publicly traded company on the London Stock Exchange (EVR). \*\*\* foreign producer questionnaire response, section I-2.

<sup>4</sup> This firm was identified through a review of information submitted in the petition and contained in proprietary \*\*\* records.

<sup>5</sup> Evraz indicated \*\*\*. Email message from \*\*\* November 26, 2018.

## Operations on LDWP

Table VII-3 presents information on the LDWP operations of Canadian producer and exporter Evraz for 2015-17, the January-June (interim) periods in 2017 and 2018, as well as projections for 2018-19. Evraz maintains \*\*\*.<sup>6</sup>

**Table VII-3**

**LDWP: Data for Canadian producer Evraz, 2015-17, January to June 2017, January to June 2018, and projections for calendar years 2018 and 2019**

\* \* \* \* \*

Capacity in Canada decreased by \*\*\* percent from 2015 to 2017, and was lower by \*\*\* percent in interim 2018 than in interim 2017. \*\*\*. Evraz's production decreased by \*\*\* percent from 2015 to 2017, but was \*\*\* percent higher during interim 2018 than in interim 2017. Capacity utilization decreased by \*\*\* percentage points from 2015 to 2017, but was \*\*\* percentage points higher in interim 2018 compared to interim 2017. In addition, end-of-period inventories decreased by \*\*\* percent during 2015-17, but were \*\*\* percent higher in interim 2018 than in interim 2017.<sup>7</sup>

Evraz's total shipments decreased by \*\*\* percent from 2015 to 2017, and were \*\*\* percent lower in interim 2018 than in the comparable period in interim 2017. There were \*\*\* home market shipments/internal consumption transfers during 2015-17 and the interim 2017 and interim 2018.<sup>8</sup>

Exports of LDWP to the United States decreased by \*\*\* percent from 2015 to 2016, then increased by \*\*\* percent from 2016 to 2017, resulting in a net decline by \*\*\* percent from 2015 to 2017, but were \*\*\* percent higher in interim 2018 than in interim 2017. As a share of total shipments, exports to the United States decreased by \*\*\* percentage points from 2015 to 2016, then increased by \*\*\* percentage points from 2016 to 2017. Exports to the United States as a share of total shipments decreased by \*\*\* percentage points from 2015 to 2017, but were \*\*\* percentage points higher in interim 2018 than in interim 2017. Exports as a share of total shipments to all other markets \*\*\*. Other export markets identified by Evraz included \*\*\*. Projections indicate that exports to the United States will be higher in 2018 than 2017, but lower in 2019 compared to 2018 and 2017. Projected exports to the United States for 2018 are scheduled to increase by \*\*\* percent from 2017 exports (actual). The projected increase from 2017 to 2018 is attributable to the \*\*\*.<sup>9</sup>

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<sup>6</sup> Evraz posthearing brief, exhibit 1, p. 75.

<sup>7</sup> Projections indicate that capacity and production will be lower in 2019 than reported in 2018.

<sup>8</sup> At the Commission's hearing, Canadian producer Evraz indicated "our shipments to the United States will decline in the very near term, particularly with the imposition of 232 tariffs. We've seen an upswing in our Canadian shipments, due to the large number of projects in Canada, especially after the imposition of safeguard measures by the Canadian government." Hearing transcript, p. 191 (Coffin).

<sup>9</sup> Evraz posthearing brief, pp. 4-5.

## Alternative products

As shown in table VII-4, Evraz reported that, from 2015 to 2017, January to June 2017, and January to June 2018, LDW line pipe as a share of total production on its equipment and machinery accounted for \*\*\* production capacity which was devoted to in-scope LDW line pipe production.<sup>10</sup>

**Table VII-4**

**LDW line pipe: Overall capacity and production on shared equipment by Canadian producer Evraz, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

Comparing table VII-4 and table VII-5, Evraz reported that, from 2015 to 2017, January to June 2017, and January to June 2018, \*\*\* of overall production capacity was devoted to in-scope LDW structural pipe production.<sup>11</sup>

**Table VII-5**

**LDW structural pipe: Overall capacity and production on shared equipment by the Canadian producer, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

## Exports

According to Global Trade Atlas (“GTA”), the leading export markets for welded pipe greater than 16” in diameter from Canada are the United States and Mexico (table VII-6). During 2017, the United States was the top export market for welded pipe greater than 16” in diameter from Canada, accounting for 95.9 percent, followed by Mexico, accounting for 2.0 percent.

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<sup>10</sup> \*\*\*. \*\*\* foreign producer questionnaire response, section II-4e.

<sup>11</sup> \*\*\*.” \*\*\* foreign producer questionnaire response, sections II-11 and II-13.

**Table VII-6**  
**Welded pipe greater than 16" in diameter: Exports from Canada by destination market, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Quantity (short tons)</b>		
Exports from Canada to the United States	351,236	73,185	182,915
Exports from Canada to other major destination markets.--			
Mexico	1,748	36,221	3,878
Peru	260	20	941
Australia	511	714	881
Chile	149	179	655
South Africa	305	174	506
Morocco	151	122	239
Brazil	39	33	177
Liberia	---	---	115
All other destination markets	894	884	517
Total exports from Canada	355,292	111,531	190,825
	<b>Value (1,000 dollars)</b>		
Exports from Canada to the United States	423,552	69,797	188,410
Exports from Canada to other major destination markets.--			
Mexico	2,119	37,708	4,149
Peru	301	22	1,104
Australia	601	803	1,003
Chile	173	202	770
South Africa	351	193	572
Morocco	181	138	288
Brazil	47	37	199
Liberia	---	---	135
All other destination markets	1,050	1,011	648
Total exports from Canada	428,375	109,911	197,278

Table continued on next page.

**Table VII-6--Continued**  
**Welded pipe greater than 16" in diameter: Exports from Canada by destination market, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Unit value (dollars per short ton)</b>		
Exports from Canada to the United States	1,206	954	1,030
Exports from Canada to other major destination markets.--			
Mexico	1,212	1,041	1,070
Peru	1,159	1,129	1,173
Australia	1,176	1,124	1,138
Chile	1,161	1,131	1,175
South Africa	1,151	1,111	1,130
Morocco	1,199	1,128	1,206
Brazil	1,219	1,148	1,124
Liberia	---	---	1,172
All other destination markets	1,175	1,144	1,253
Total exports from Canada	1,206	985	1,034
	<b>Share of quantity (percent)</b>		
Exports from Canada to the United States	98.9	65.6	95.9
Exports from Canada to other major destination markets.--			
Mexico	0.5	32.5	2.0
Peru	0.1	0.0	0.5
Australia	0.1	0.6	0.5
Chile	0.0	0.2	0.3
South Africa	0.1	0.2	0.3
Morocco	0.0	0.1	0.1
Brazil	0.0	0.0	0.1
Liberia	---	---	0.1
All other destination markets	0.3	0.8	0.3
Total exports from Canada	100.0	100.0	100.0

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

Source: Official Canadian exports statistics under HS subheadings 730511, 7305.12, 7305.19, 7305.31, and 7305.39 as reported by Statistics Canada in the IHS/GTA database, accessed October 4, 2018.

## THE INDUSTRY IN CHINA

The Commission issued foreign producers' or exporters' questionnaires to 160 firms believed to produce and/or export LDWP from China.<sup>12</sup> None of these firms responded to the Commission's questionnaire.<sup>13 14</sup>

### Exports

According to GTA, the leading export markets for welded pipe greater than 16" in diameter from China are Canada, India, Saudi Arabia, Hong Kong, and Australia (table VII-7). During 2017, the United States was the sixth largest export market for welded pipe greater than 16" in diameter from China, accounting for 3.9 percent, while Canada was the largest, accounting for 10.1 percent.

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<sup>12</sup> These firms were identified through a review of information submitted in the petition and contained in \*\*\* records.

<sup>13</sup> \*\*\* was the only Chinese firm to respond to the Commission's inquiries. \*\*\* indicated that the firm ultimately would not participate and complete the foreign producer questionnaire. According to proprietary \*\*\* records, \*\*\* was the largest Chinese exporter, based on quantity, of LDWP from 2015 to 2017 and January to June 2018. Email messages from \*\*\*, October 7, 2018.

<sup>14</sup> CNOOD Asia Limited indicated on its website that it had supplied the LDWP for the Lake Charles Chemicals Project during 2016 and 2017. \*\*\* indicated that it had imported LDWP from Chinese producer \*\*\* for the Lake Charles Chemicals Project in Louisiana in 2017, and that approximately \*\*\* was manufactured by \*\*\*. Email messages from \*\*\*, October 19, 2018.

**Table VII-7**

**Welded pipe greater than 16" in diameter: Exports from China by destination market, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Quantity (short tons)</b>		
Exports from China to the United States	64,225	38,375	34,008
Exports from China to other major destination markets.--			
Canada	148,009	53,080	88,734
India	5,088	9,763	73,671
Saudi Arabia	54,279	111,491	63,960
Hong Kong	68,964	61,760	48,643
Australia	37,623	36,703	35,475
Iran	23,903	22,651	29,972
Turkey	124,984	128,893	29,530
Egypt	12,819	268,032	27,758
All other destination markets	922,633	602,343	445,051
Total exports from China	1,462,528	1,333,092	876,801
	<b>Value (1,000 dollars)</b>		
Exports from China to the United States	42,295	22,876	25,218
Exports from China to other major destination markets.--			
Canada	86,953	28,940	55,617
India	5,107	9,428	32,955
Saudi Arabia	30,693	65,051	42,738
Hong Kong	40,770	32,553	31,769
Australia	31,970	27,386	23,962
Iran	25,822	21,677	28,837
Turkey	100,789	104,660	23,848
Egypt	6,715	101,242	17,036
All other destination markets	675,190	381,853	328,277
Total exports from China	1,046,303	795,667	610,257

Table continued on next page.

**Table VII-7--Continued**

**Welded pipe greater than 16" in diameter: Exports from China by destination market, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Unit value (dollars per short ton)</b>		
Exports from China to the United States	659	596	742
Exports from China to other major destination markets.--			
Canada	587	545	627
India	1,004	966	447
Saudi Arabia	565	583	668
Hong Kong	591	527	653
Australia	850	746	675
Iran	1,080	957	962
Turkey	806	812	808
Egypt	524	378	614
All other destination markets	732	634	738
Total exports from China	715	597	696
	<b>Share of quantity (percent)</b>		
Exports from China to the United States	4.4	2.9	3.9
Exports from China to other major destination markets.--			
Canada	10.1	4.0	10.1
India	0.3	0.7	8.4
Saudi Arabia	3.7	8.4	7.3
Hong Kong	4.7	4.6	5.5
Australia	2.6	2.8	4.0
Iran	1.6	1.7	3.4
Turkey	8.5	9.7	3.4
Egypt	0.9	20.1	3.2
All other destination markets	63.1	45.2	50.8
Total exports from China	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7305.11, 7305.12, 7305.19, 7305.31, and 7305.39 as reported by China Customs in the GTA database, accessed October 5, 2018.



## THE INDUSTRY IN GREECE

The Commission issued a foreign producer/exporter questionnaire to one firm, Corinth Pipeworks Pipe industry S.A. (“Corinth”),<sup>15</sup> believed to be the only producer of LDWP in Greece.<sup>16</sup> A completed response to the Commission’s questionnaire was received by this firm. Corinth’s exports to the United States accounted for \*\*\* U.S. imports of LDWP from Greece in 2017. According to information requested of the responding Greek producer Corinth, the production of LDWP in Greece reported accounts for \*\*\* production of LDWP in Greece in 2017. Table VII-8 presents information on the LDWP operations of the responding Greek producer Corinth.

**Table VII-8**  
**LDWP: Summary data for Greek producer Corinth, 2017**

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)
Corinth	***	100.0	***	100.0	***	***
Total	***	100.0	***	100.0	***	***

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

### Changes in operations

As presented in table VII-9, the Greek producer Corinth reported operational and organizational changes since January 1, 2015.

**Table VII-9**  
**LDWP: Greek producer Corinth’s reported changes in operations, since January 1, 2015**

\*   \*   \*   \*   \*   \*   \*

### Operations on LDWP

Table VII-10 presents information on the LDWP operations of the Greek producer and exporter Corinth for 2015-17, the January-June (interim) periods in 2017 and 2018, as well as

<sup>15</sup> CPW America is the U.S. importer and affiliate of Corinth. CPW America accounts for \*\*\* imports of LDWP from Corinth that arrived in the United States in 2017. \*\*\* foreign producer questionnaire response, section I-5.

<sup>16</sup> This firm was identified through a review of information submitted in the petition and contained in \*\*\* records.

projections for 2018-19. Corinth operates \*\*\*.<sup>17</sup> Corinth indicated its rated annual capacity for \*\*\*.<sup>18</sup>

Capacity in Greece increased by \*\*\* percent from 2015 to 2017, and capacity was \*\*\* percent higher in interim 2018 than in interim 2017. Greek producer Corinth's production increased by \*\*\* percent from 2015 to 2017, and was \*\*\* percent higher during interim 2018 than in interim 2017. Capacity utilization increased by \*\*\* percentage points from 2015 to 2017, and was \*\*\* percentage points higher in interim 2018 compared to interim 2017. In addition, end-of-period inventories increased by \*\*\* percent during 2015-17, and were \*\*\* percent lower in interim 2018 than in interim 2017.<sup>19</sup>

Total shipments by Greek producer Corinth increased by \*\*\* percent from 2015 to 2017, and were \*\*\* percent higher in interim 2018 than in interim 2017. Home market shipments/internal consumption transfers were \*\*\* during 2015-17 and in interim 2017 and interim 2018.

Exports of LDWP to the United States decreased by \*\*\* percent from 2015 to 2017. Corinth indicated \*\*\* exports to the United States in interim 2017, but exported \*\*\* short tons of LDWP to the United States in interim 2018. As a share of total shipments, exports to the United States decreased by \*\*\* percentage points from 2015 to 2017, but were \*\*\* percentage points higher in interim 2018 than in interim 2017. Exports as a share of total shipments to all other markets increased by \*\*\* percentage points from 2015 to 2017, and were \*\*\* percentage points higher in interim 2018 than in interim 2017. Other export markets identified for this firm included \*\*\*.<sup>20</sup> Projections indicate that exports to the United States will be higher in 2018 and 2019 than in 2017, but lower in 2019 compared to 2018. The increase in exports to the United States is attributable to \*\*\*.<sup>21</sup>

**Table VII-10**

**LDWP: Data for Greek producer Corinth, 2015-17, January to June 2017, January to June 2018, and projections for calendar years 2018 and 2019**

\* \* \* \* \*

**Alternative products**

The Greek producer Corinth reported that, from 2015 to 2017, January to June 2017, and January to June 2018, \*\*\* of the overall production capacity that was devoted to in-scope LDW line pipe production, which accounted for \*\*\* of total production in 2017 compared to in-scope LDW structural pipe production.<sup>22</sup>

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<sup>17</sup> \*\*\*. \*\*\* foreign producer questionnaire response, section II-2.

<sup>18</sup> Corinth posthearing brief, exhibit 7, p.2.

<sup>19</sup> Projections indicate that capacity and production will be higher in 2018 and 2019 than reported in 2017.

<sup>20</sup> Corinth foreign producer questionnaire response, section II-9.

<sup>21</sup> Corinth posthearing brief, exhibit 7, attachment A.

<sup>22</sup> \*\*\*. \*\*\* foreign producer questionnaire response, section II-4e.

## Exports

According to GTA, the leading export markets for welded pipe greater than 16" in diameter from Greece are Turkey, Poland, the United States, and Qatar (table VII-11). During 2017, the United States was the third largest export market for welded pipe greater than 16" in diameter from Greece, based on quantity, accounting for 19.6 percent, and was preceded by Turkey and Poland, accounting for 22.0 percent and 20.2 percent, respectively.

**Table VII-11**  
**Welded pipe greater than 16" in diameter: Exports from Greece, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Quantity (short tons)</b>		
Exports from Greece to the United States	91,522	69,478	25,503
Exports from Greece to other major destination markets.--			
Turkey	477	123	28,634
Poland	475	24,576	26,225
Qatar	---	---	22,797
Italy	2,517	3,580	6,918
United Kingdom	3,358	4,453	5,454
Netherlands	5,209	5,488	4,594
Ireland	---	---	2,637
Israel	---	---	1,917
All other destination markets	58,241	5,106	5,395
Total exports from Greece	161,799	112,804	130,075
	<b>Value (1,000 dollars)</b>		
Exports from Greece to the United States	89,788	54,224	22,519
Exports from Greece to other major destination markets.--			
Turkey	329	89	12,219
Poland	331	17,100	21,851
Qatar	---	---	17,961
Italy	1,723	2,902	5,861
United Kingdom	2,773	3,395	4,996
Netherlands	3,237	2,792	2,229
Ireland	---	---	3,084
Israel	---	---	1,510
All other destination markets	53,202	4,588	5,571
Total exports from Greece	151,383	85,091	97,802

Table continued on next page.

**Table VII-11—Continued**  
**Welded pipe greater than 16” in diameter: Exports from Greece, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Unit value (dollars per short ton)</b>		
Exports from Greece to the United States	981	780	883
Exports from Greece to other major destination markets.--			
Turkey	691	726	427
Poland	696	696	833
Qatar	---	---	788
Italy	684	811	847
United Kingdom	826	762	916
Netherlands	621	509	485
Ireland	---	---	1,170
Israel	---	---	788
All other destination markets	913	899	1,033
Total exports from Greece	936	754	752
	<b>Share of quantity (percent)</b>		
Exports from Greece to the United States	56.6	61.6	19.6
Exports from Greece to other major destination markets.--			
Turkey	0.3	0.1	22.0
Poland	0.3	21.8	20.2
Qatar	---	---	17.5
Italy	1.6	3.2	5.3
United Kingdom	2.1	3.9	4.2
Netherlands	3.2	4.9	3.5
Ireland	---	---	2.0
Israel	---	---	1.5
All other destination markets	36.0	4.5	4.1
Total exports from Greece	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7305.11, 7305.12, 7305.19, 7305.31, and 7305.39 as reported by Eurostat (for Greece) in the GTA database, accessed October 4, 2018.

## THE INDUSTRY IN INDIA

The Commission issued foreign producer/exporter questionnaires to 25 firms in India. Bhushan Steel Limited (“Bhushan”), MAN Industries Inc., (“Man”),<sup>23</sup> and Welspun Corp. Limited (“Welspun”)<sup>24</sup> were the responding producers of LDWP in India.<sup>25</sup> These firms’ exports to the United States accounted for \*\*\* percent of U.S. imports of LDWP from India in 2017. According to information requested of the responding Indian producers, the production of LDWP in India reported \*\*\*<sup>26</sup> of production of LDWP in India in 2017. Table VII-12 presents summary information on the LDWP operations of the responding Indian producers.

**Table VII-12**  
**LDWP: Summary data on firms in India, 2017**

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)
Bhushan	***	***	***	***	***	***
Welspun	***	***	***	***	***	***
Man	***	***	***	***	***	***
Total	***	100.0	***	100.0	***	***

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

### Changes in operations

As presented in table VII-13, the reported operational and organizational changes by LDWP producers in India since January 1, 2015.

**Table VII-13**  
**LDWP: Reported changes in operations by producers in India, since January 1, 2015**

\* \* \* \* \*

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<sup>23</sup> \*\*\*. \*\*\* foreign producer questionnaire response and supplemental attachment, see supplemental attachment.

<sup>24</sup> Welspun Tubular is the U.S. producer, importer, and affiliate of Welspun Corp Limited. Welspun Tubular accounts for \*\*\* imports of LDWP from Welspun Corp Limited that arrived in the United States in 2017. \*\*\* foreign producer questionnaire response, section I-5.

<sup>25</sup> This firm was identified through a review of information submitted in the petition and contained in proprietary \*\*\* records.

<sup>26</sup> \*\*\* estimated that it had produced approximately \*\*\* percent of total production of LDWP in India during 2017. \*\*\* foreign producer questionnaire response, section II-6.

## Operations on LDWP

Table VII-14 presents information on the LDWP operations for the responding Indian producers for 2015-17, the January-June (interim) periods in 2017 and 2018, as well as projections for 2018-19. Welspun operates \*\*\*.<sup>27</sup> \*\*\*.<sup>28</sup> \*\*\*.<sup>29</sup>

The Indian producers combined capacity \*\*\* from 2015 to 2017, and in interim 2017 and interim 2018. These firms' production increased by \*\*\* percent from 2015 to 2017, and was \*\*\* percent higher during interim 2018 compared to interim 2017. Capacity utilization increased by \*\*\* percentage points from 2015 to 2017, and \*\*\* during interim 2017 and 2018.<sup>30</sup> In addition, end-of-period inventories increased by \*\*\* percent during 2015-17, but were \*\*\* percent lower in interim 2018 than in interim 2017.<sup>31</sup>

Total combined shipments for the responding Indian producers increased by \*\*\* percent from 2015 to 2017, and were \*\*\* percent higher in interim 2018 than in interim 2017. Home market shipments/internal consumption transfers increased during 2015-17 by \*\*\* percent, and were \*\*\* percent higher in interim 2018 and in interim 2017.

Exports of LDWP to the United States increased by \*\*\* percent from 2015 to 2017, but were \*\*\* percent lower in interim 2018 than in interim 2017. As a share of total shipments, exports to the United States increased by \*\*\* percentage points from 2015 to 2017, but were \*\*\* percentage points lower in interim 2018 than in interim 2017. Exports as a share of total shipments to all other markets decreased by \*\*\* percentage points from 2015 to 2017, and were \*\*\* percentage points lower in interim 2018 than in interim 2017.

As a share of total shipments, internal consumption/transfers increased by \*\*\* percentage point during 2015-17 and were higher by \*\*\* percentage points in interim 2018 than in interim 2017. Total home market shipments decreased by \*\*\* percentage points during 2015-17 and were higher by \*\*\* percentage points in interim 2018 than in interim 2017. Other export markets identified for these firms included \*\*\*.<sup>32</sup> Projections indicate that exports from India to the United States will be \*\*\* in 2019.<sup>33</sup>

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<sup>27</sup> \*\*\* foreign producer questionnaire response, section II-4a.

<sup>28</sup> \*\*\* foreign producer questionnaire response, section II-3b.

<sup>29</sup> \*\*\* foreign producer questionnaire response, section II-3b, and email messages from \*\*\*, November 22, 2018.

<sup>30</sup> In its public brochure, Man Industries indicated that it has approximately 1.5 million annual tons of production capacity at its LSAW and HSAW manufacturing facilities. In its questionnaire response, \*\*\*. \*\*\*. \*\*\* foreign producer questionnaire response, section II-4a and <http://mangroup.com/downloads.html#>.

<sup>31</sup> Projections indicate that capacity will remain the same but production will be lower in 2018 and 2019 than reported in 2017.

<sup>32</sup> \*\*\* foreign producer questionnaire responses, section II-9.

<sup>33</sup> \*\*\*." Welspun foreign producer questionnaire, section II-13.

**Table VII-14**  
**LDWP: Data on industry in India 2015-17, January to June 2017, January to June 2018, and projections for calendar years 2018 and 2019**

\* \* \* \* \*

### **Alternative products**

The responding Indian producers reported that, from 2015 to 2017, January to June 2017, and January to June 2018, \*\*\* and devoted to in-scope LDW line pipe production, which accounted for \*\*\*.<sup>34</sup>

### **Exports**

According to GTA, the leading export markets for welded pipe greater than 16" in diameter from India are the United States, Saudi Arabia, and the United Arab Emirates (table VII-15). During 2017, the United States was the largest export market for welded pipe greater than 16" in diameter from India, based on quantity, accounting for 40.2 percent, and was followed by Saudi Arabia and UAE, accounting for 24.9 percent and 9.3 percent, respectively.

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<sup>34</sup> \*\*\*. \*\*\* foreign producer questionnaire response, section II-11.

**Table VII-15**  
**Welded pipe greater than 16" in diameter: Exports from India, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Quantity (short tons)</b>		
Exports from India to the United States	19,937	78,054	369,459
Exports from India to other major destination markets.--			
Saudi Arabia	95,341	236,744	228,881
United Arab Emirates	71,146	181,327	85,854
Oman	5,084	142,235	77,457
Nigeria	73	34	50,837
Bangladesh	28,814	16,580	43,528
Canada	0	10,204	23,120
Iraq	234,770	1,633	17,393
Tanzania	17,878	189	10,023
All other destination markets	167,422	86,594	12,792
Total exports from India	640,464	753,594	919,344
	<b>Value (1,000 dollars)</b>		
Exports from India to the United States	19,159	53,584	256,395
Exports from India to other major destination markets.--			
Saudi Arabia	88,012	144,293	161,132
United Arab Emirates	60,283	136,769	55,037
Oman	4,335	113,259	71,493
Nigeria	72	36	35,018
Bangladesh	25,142	9,037	25,719
Canada	0	9,938	24,127
Iraq	278,205	1,901	21,147
Tanzania	25,277	237	7,904
All other destination markets	159,486	59,008	15,503
Total exports from India	659,970	528,062	673,475

Table continued on next page.



**Table VII-15--Continued**  
**Welded pipe greater than 16" in diameter: Exports from India, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Unit value (dollars per short ton)</b>		
Exports from India to the United States	961	686	694
Exports from India to other major destination markets.--			
Saudi Arabia	923	609	704
United Arab Emirates	847	754	641
Oman	853	796	923
Nigeria	987	1,057	689
Bangladesh	873	545	591
Canada	1,633	974	1,044
Iraq	1,185	1,165	1,216
Tanzania	1,414	1,255	789
All other destination markets	953	681	1,212
Total exports from India	1,030	701	733
	<b>Share of quantity (percent)</b>		
Exports from India to the United States	3.1	10.4	40.2
Exports from India to other major destination markets.--			
Saudi Arabia	14.9	31.4	24.9
United Arab Emirates	11.1	24.1	9.3
Oman	0.8	18.9	8.4
Nigeria	0.0	0.0	5.5
Bangladesh	4.5	2.2	4.7
Canada	0.0	1.4	2.5
Iraq	36.7	0.2	1.9
Tanzania	2.8	0.0	1.1
All other destination markets	26.1	11.5	1.4
Total exports from India	100.0	100.0	100.0

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

Source: Official exports statistics under HS subheadings 7305.11, 7305.12, 7305.19, 7305.31, and 7305.39 as reported by Ministry of Commerce (India) in the GTA database, accessed October 5, 2018.

## THE INDUSTRY IN KOREA

The Commission issued foreign producers' or exporters' questionnaires to ten firms believed to produce and/or export LDWP from Korea.<sup>35</sup> Usable responses to the Commission's questionnaire were received from two firms: \*\*\*. These firms' exports to the United States accounted for approximately \*\*\* percent of U.S. imports of LDWP from Korea in 2017. According to estimates requested of the responding Korean producers, the production of LDWP in Korea reported in questionnaires accounted for approximately \*\*\* percent of overall production of LDWP in Korea during 2017. Table VII-16 presents information on the LDWP operations of the responding producers and exporters in Korea.

**Table VII-16**  
**LDWP: Summary data for producers in Korea, 2017**

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)
EEW	***	***	***	***	***	***
Husteel subject	***	***	***	***	***	***
Total	***	100.0	***	100.0	***	***

Note.—Korean producers Husteel and Hyundai were asked to submit their responses to the foreign producer questionnaire in two separate filings. One submission for their LDW line pipe operations relating to merchandise less than or equal to 24" OD, and a second submission for the LDW structural pipe operations relating to merchandise greater than 24" OD merchandise. Husteel complied with this request, and the data presented are for Husteel's subject merchandise, which includes LDW structural pipe.

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

### Changes in operations

As presented in table VII-17 producers in Korea reported operational and organizational changes since January 1, 2015.

**Table VII-17**  
**LDWP: Korean producers' reported changes in operations, since January 1, 2015**

\* \* \* \* \*

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<sup>35</sup> These firms were identified through a review of information submitted in the petition and contained in \*\*\* records.

## Operations on LDWP

Table VII-18 presents information on the LDWP operations of the responding producers in Korea for 2015-17, the January-June (interim) periods in 2017 and 2018, as well as projections for 2018-19. EEW operates \*\*\*.<sup>36</sup>

Capacity in Korea \*\*\* from 2015 to 2017, and \*\*\* in interim 2017 or interim 2018.<sup>37</sup> Combined total production decreased by \*\*\* percent from 2015 to 2016, but increased by \*\*\* percent from 2016 to 2017. Combined total production increased by \*\*\* from 2015 to 2017, and was higher by \*\*\* percent in interim 2018 than in interim 2017. Capacity utilization decreased by \*\*\* percentage points from 2015 to 2016, but increased by \*\*\* percentage points from 2016 to 2017. Capacity utilization increased by \*\*\* from 2015 to 2017, and was \*\*\* percentage points higher in interim 2018 compared to interim 2017. In addition, end-of-period inventories decreased by \*\*\* percent during 2015-17, and were \*\*\* percent higher in interim 2018 than in interim 2017.<sup>38</sup>

Total combined shipments of the responding Korean producers increased by \*\*\* percent from 2015 to 2017, and were \*\*\* percent higher in interim 2018 than in interim 2017. Home market shipments/internal consumption transfers were \*\*\*, and decreased during 2015-17 but were slightly higher in interim 2018 than in interim 2017.

Exports of LDWP to the United States decreased by \*\*\* percent from 2015 to 2017, but were higher by \*\*\* percent in interim 2018 than in interim 2017. As a share of total shipments, exports to the United States decreased by \*\*\* percentage points from 2015 to 2017, but were \*\*\* percentage points higher in interim 2018 than in interim 2017. Exports as a share of total shipments to all other markets increased by \*\*\* percentage points from 2015 to 2017, but were \*\*\* percentage points lower in interim 2018 than in interim 2017. Other export markets identified for this firm included \*\*\*.<sup>39</sup> Projections indicate that exports to the United States will be lower in 2018 and 2019 than in 2017.

### Table VII-18

**LDWP: Data on industry in Korea, 2015-17, January to June 2017, January to June 2018, and projections for calendar years 2018 and 2019**

\* \* \* \* \*

### Alternative products

As shown in table VII-19, the responding Korean firms produced other products on the same equipment and machinery used to produce LDW structural pipe during 2015-17, January

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<sup>36</sup> Email message from \*\*\*, November 15, 2018.

<sup>37</sup> \*\*\*. \*\*\* foreign producer questionnaire response, section II-9.

<sup>38</sup> Projections indicate that capacity and production will remain at the same levels in 2018 and 2019 as it was in 2017.

<sup>39</sup> \*\*\* foreign producer questionnaire responses, section II-9.

to June 2017, and January to June 2018. LDW structural pipe as a share of total production on this equipment and machinery accounted for \*\*\* production, which was devoted to out-of-scope productions other than LDW structural pipe production during 2017.<sup>40</sup>

**Table VII-19**

**LDW structural pipe: Korean producers' overall capacity and production on shared equipment, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

**Exports**

According to GTA, the leading export markets for welded pipe greater than 16” in diameter from Korea are the United States, the United Arab Emirates, and Kuwait (table VII-20). During 2017, the United States was the largest export market for welded pipe greater than 16” in diameter from Korea, based on quantity, accounting for 28.4 percent, and was followed by UAE and Kuwait, accounting for 13.2 percent and 12.7 percent, respectively.

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<sup>40</sup> \*\*\* subject production was solely LDW structural pipe. \*\*\* percent of LDW structural pipe production in 2017. \*\*\* foreign producer questionnaire response, sections II-4e and II-11.

**Table VII-20**  
**Welded pipe greater than 16" in diameter: Exports from Korea, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Quantity (short tons)</b>		
Exports from Korea to the United States	224,347	155,961	198,836
Exports from Korea to other major destination markets.--			
United Arab Emirates	63,024	27,455	92,804
Kuwait	11,799	27,926	88,667
Canada	12,781	9,050	41,276
China	11,466	17,239	27,090
Saudi Arabia	17,245	21,852	25,719
Algeria	500	137	19,741
United Kingdom	1,181	8,184	19,614
Spain	5,855	---	18,398
All other destination markets	320,283	262,309	168,298
Total exports from Korea	668,481	530,113	700,443
	<b>Value (1,000 dollars)</b>		
Exports from Korea to the United States	150,757	110,957	152,843
Exports from Korea to other major destination markets.--			
United Arab Emirates	59,150	22,524	83,241
Kuwait	10,878	21,747	59,726
Canada	10,140	4,456	34,226
China	11,387	12,013	20,400
Saudi Arabia	20,327	20,048	22,966
Algeria	1,479	103	16,166
United Kingdom	1,069	10,666	22,897
Spain	6,606	---	14,565
All other destination markets	297,281	197,058	157,135
Total exports from Korea	569,074	399,572	584,164

Table continued on next page.

**Table VII-20--Continued**  
**Welded pipe greater than 16" in diameter: Exports from Korea, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Unit value (dollars per short ton)</b>		
Exports from Korea to the United States	672	711	769
Exports from Korea to other major destination markets.--			
United Arab Emirates	939	820	897
Kuwait	922	779	674
Canada	793	492	829
China	993	697	753
Saudi Arabia	1,179	917	893
Algeria	2,961	751	819
United Kingdom	905	1,303	1,167
Spain	1,128	---	792
All other destination markets	928	751	934
Total exports from Korea	851	754	834
	<b>Share of quantity (percent)</b>		
Exports from Korea to the United States	33.6	29.4	28.4
Exports from Korea to other major destination markets.--			
United Arab Emirates	9.4	5.2	13.2
Kuwait	1.8	5.3	12.7
Canada	1.9	1.7	5.9
China	1.7	3.3	3.9
Saudi Arabia	2.6	4.1	3.7
Algeria	0.1	0.0	2.8
United Kingdom	0.2	1.5	2.8
Spain	0.9	---	2.6
All other destination markets	47.9	49.5	24.0
Total exports from Korea	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7305.11, 7305.12, 7305.19, 7305.31, and 7305.39 as reported by Korea Customs and Trade Development Institution in the GTA database, accessed October 5, 2018.

## THE INDUSTRY IN TURKEY

The Commission issued foreign producers' or exporters' questionnaires to 14 firms believed to produce and/or export LDWP from Turkey.<sup>41</sup> Usable responses to the Commission's questionnaire were received from five firms: Umran Celik Boru Sanayi A.S. ("Umran"), Borusan Mannesmann Boru Sanayi Ve Ticaret A.S. ("Borusan"),<sup>42</sup> HDM Celik Boru Sanayi Ve Ticaret AS (Headquarter) ("Celik Boru"), Erciyas Çelik Boru Sanayi A.Ş. (Erciyas Steel Pipe Co.) ("Erciyas"), and Özbal Çelik Boru Sanayi Ve Ticaret A.S. ("Ozbal").<sup>43</sup> These firms' exports to the United States accounted for approximately \*\*\* percent of U.S. imports of LDWP from Turkey in 2017. According to estimates requested of the responding Turkish producers, the production of LDWP in Turkey reported in questionnaires accounts for approximately \*\*\* percent of overall production of LDWP in Turkey in 2017. Table VII-21 presents information on the LDWP operations of the responding producers and exporters in Turkey.

**Table VII-21**  
**LDWP: Summary data for producers in Turkey, 2017**

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)
Borusan	***	***	***	***	***	***
Celik Boru	***	***	***	***	***	***
Erciyas	***	***	***	***	***	***
Ozbal	***	***	***	***	***	***
Umran	***	***	***	***	***	***
Total	***	100.0	***	100.0	***	***

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

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<sup>41</sup> These firms were identified through a review of information submitted in the petition and contained in \*\*\* records.

<sup>42</sup> \*\*\*. \*\*\* foreign producer questionnaire, section I-3.

<sup>43</sup> During the Commission's preliminary-phase investigations, the Turkish producer \*\*\* completed the foreign producer questionnaire. \*\*\*. Despite repeated attempts, the Commission did not receive a questionnaire response from \*\*\*.

## Changes in operations

As presented in table VII-22 producers in Turkey reported several operational and organizational changes since January 1, 2015. \*\*\*.<sup>44</sup> Turkish producer \*\*\*.<sup>45</sup>

**Table VII-22**

**LDWP: Turkish producers' reported changes in operations, since January 1, 2015**

\* \* \* \* \*

## Operations on LDWP

Table VII-23 presents information on the LDWP operations for the responding producers in Turkey for 2015-17, the January-June (interim) periods in 2017 and 2018, as well as projections for 2018-19.

Overall capacity for the Turkish producers decreased by \*\*\* from 2015 to 2017, but was higher by \*\*\* percent in interim 2018 than in interim 2017. The Turkish producers' production decreased by \*\*\* percent from 2015 to 2017, and was \*\*\* percent lower during interim 2018 than in interim 2017. Capacity utilization decreased by \*\*\* percentage points from 2015 to 2017, and was \*\*\* percentage points lower in interim 2018 compared to interim 2017. In addition, end-of-period inventories increased by \*\*\* percent from 2015 to 2016, but decreased by \*\*\* percent from 2016 to 2017. End-of-period inventories were lower by \*\*\* percent in interim 2018 than in interim 2017.<sup>46</sup>

Total shipments of the Turkish producers decreased by \*\*\* percent from 2015 to 2017, and were \*\*\* percent lower in interim 2018 than in interim 2017. Home market shipments/internal consumption transfers decreased by \*\*\* percent from 2015 to 2017, and were lower by \*\*\* percent in interim 2018 than in interim 2017.

Exports of LDWP to the United States increased by \*\*\* percent from 2015 to 2016, but decreased by \*\*\* percent from 2016 to 2017. Exports of LDWP were lower by \*\*\* percent in interim 2018 than in interim 2017.<sup>47</sup> As a share of total shipments, exports to the United States decreased by \*\*\* percentage points from 2015 to 2017, and were \*\*\* percentage points lower in interim 2018 than in interim 2017. Exports as a share of total shipments to all other markets decreased by \*\*\* percentage points from 2015 to 2017, but were \*\*\* percentage points higher in interim 2018 than in interim 2017. Other export markets identified for these firms included \*\*\*.<sup>48</sup> Projections indicate that exports of LDWP from Turkey to the United States will increase

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<sup>44</sup> Borusan's posthearing brief, exhibit 1, p. 109, and the joint Turkish producers and exporters' posthearing brief, exhibit 1, p. 1.

<sup>45</sup> Joint Turkish producers and exporters' posthearing brief, exhibit 1, p. 1.

<sup>46</sup> Projections indicate that capacity and production will be higher in 2018 and 2019 than reported in 2017.

<sup>47</sup> \*\*\* indicated "\*\*\*\*." \*\*\* foreign producer questionnaire response, section II-9.

<sup>48</sup> \*\*\* foreign producer questionnaire responses, section II-9.



in 2018 to \*\*\* short tons (a projected \*\*\* percent increase from 2017), but will decline in 2019. The projected exports of LDWP from Turkey reflect \*\*\*.<sup>49</sup>

**Table VII-23**

**LDWP: Data for producers in Turkey, 2015-17, January to June 2017, January to June 2018, and projections for calendar years 2018 and 2019**

\* \* \* \* \*

**Alternative products**

As shown in table VII-24, the responding Turkish firms produced other products on the same equipment and machinery used to produce LDW line pipe. From 2015 to 2017, January to June 2017, and January to June 2018. LDW line pipe as a share of total production on this equipment and machinery accounted for \*\*\* production capacity, which was largely devoted to in-scope LDW line pipe production.<sup>50</sup>

**Table VII--24**

**LDW line pipe: Turkish producers' overall capacity and production on shared equipment, 2015-17, January to June 2017, January to June 2018**

\* \* \* \* \*

As shown in table VII-25, the responding Turkish firms produced other products on the same equipment and machinery used to produce LDW structural pipe. From 2015 to 2017, January to June 2017, and January to June 2018, LDW structural pipe as a share of total production on this equipment and machinery accounted for \*\*\* of total production capacity.<sup>51</sup>

**Table VII-25**

**LDW structural pipe: Turkish producers' overall capacity and production on shared equipment, 2015-17, January to June 2017, January to June 2018**

\* \* \* \* \*

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<sup>49</sup> \*\*\* posthearing brief, exhibit 14, and \*\*\* U.S. purchaser questionnaire, section V-5.

<sup>50</sup> \*\*\* indicated it set out to only produce one type of pipe; HSAW line pipe. \*\*\*. Approximately \*\*\* percent of its production was LDW structural pipe. \*\*\* foreign producer questionnaire response, sections II-4e, II-9, and II-11.

<sup>51</sup> \*\*\* indicated that it only produces LDW structural pipe. In 2017, \*\*\*. As a share of total reported LDW structural pipe production from the combined Turkish producers, \*\*\* accounted for \*\*\* percent of the total LDW structural pipe production in Turkey, during 2017. \*\*\* foreign producer questionnaire response, section II-11.

## Exports

According to GTA, the leading export markets for welded pipe greater than 16" in diameter from Turkey are the United States, Egypt, and Italy (table VII-26). During 2017, the United States was the top export market for welded pipe greater than 16" in diameter from Turkey, accounting for 20.2 percent, based on quantity, followed by Egypt and Italy, accounting for 19.3 percent and 12.5 percent, respectively.

**Table VII-26**  
**Welded pipe greater than 16" in diameter: Exports from Turkey, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Quantity (short tons)</b>		
Exports from Turkey to the United States	125,757	112,781	32,906
Exports from Turkey to other major destination markets.--			
Egypt	39,792	26,251	31,501
Italy	12,625	991	20,341
Israel	9,759	10,425	16,472
France	---	11,551	15,037
Poland	---	---	13,127
Georgia	2,506	1,364	10,679
Lebanon	---	---	5,178
Morocco	---	7	4,144
All other destination markets	23,547	57,402	13,748
Total exports from Turkey	213,986	220,772	163,133
	<b>Value (1,000 dollars)</b>		
Exports from Turkey to the United States	124,237	104,845	30,487
Exports from Turkey to other major destination markets.--			
Egypt	25,243	12,961	18,169
Italy	7,915	651	15,851
Israel	6,886	6,546	13,290
France	---	8,184	10,895
Poland	---	---	9,403
Georgia	1,870	901	7,029
Lebanon	---	---	3,770
Morocco	---	25	2,744
All other destination markets	20,635	42,988	10,077
Total exports from Turkey	186,787	177,103	121,716

Table continued on next page.

**Table VII-26--Continued**  
**Welded pipe greater than 16" in diameter: Exports from Turkey, 2015-17**

Destination market	Calendar year		
	2015	2016	2017
	<b>Unit value (dollars per short ton)</b>		
Exports from Turkey to the United States	988	930	926
Exports from Turkey to other major destination markets.--			
Egypt	634	494	577
Italy	627	657	779
Israel	706	628	807
France	---	709	725
Poland	---	---	716
Georgia	746	661	658
Lebanon	---	---	728
Morocco	---	3,547	662
All other destination markets	876	749	733
Total exports from Turkey	873	802	746
	<b>Share of quantity (percent)</b>		
Exports from Turkey to the United States	58.8	51.1	20.2
Exports from Turkey to other major destination markets.--			
Egypt	18.6	11.9	19.3
Italy	5.9	0.4	12.5
Israel	4.6	4.7	10.1
France	---	5.2	9.2
Poland	---	---	8.0
Georgia	1.2	0.6	6.5
Lebanon	---	---	3.2
Morocco	---	0.0	2.5
All other destination markets	11.0	26.0	8.4
Total exports from Turkey	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 7305.11, 7305.12, 7305.19, 7305.31, and 7305.39 as reported by State Institute of Statistics (Turkey) in the GTA database, accessed October 5, 2018.

### SUBJECT COUNTRIES COMBINED

Table VII-27 presents summary data on LDWP operations of the reporting subject producers in the six subject countries during 2015-17, January to June 2017, January to June 2018, as well as projections for calendar years 2018 and 2019. The overall capacity for the combined subject countries increased by less than one percent from 2015-17, and was lower by less than one percent in interim 2018 than in interim 2017. Overall production increased by 5.0 percent during 2015-17, and was higher in interim 2018 than in interim 2017.

Table VII-27

LDWP: Data on the industry in subject countries, 2015-17, January to June 2017, January to June 2018, and projections for calendar years 2018 and 2019

Item	Actual experience					Projections	
	Calendar year			January to June		Calendar year	
	2015	2016	2017	2017	2018	2018	2018
	<b>Quantity (short tons)</b>						
Capacity	6,134,091	6,196,272	6,175,566	3,080,969	3,069,837	6,139,718	6,080,486
Production	2,039,289	2,085,409	2,141,696	1,063,847	1,071,477	2,078,452	2,407,194
End-of-period inventories	158,998	180,228	140,848	192,255	211,909	167,689	119,455
Shipments:							
Home market shipments:							
Internal consumption/ transfers	201,934	217,196	179,160	64,404	145,541	169,818	236,296
Commercial home market shipments	643,253	947,969	647,802	285,135	412,558	601,213	1,003,737
Total home market shipments	845,187	1,165,165	826,962	349,539	558,099	771,031	1,240,033
Export shipments to:							
United States	634,762	397,516	592,610	315,309	212,003	671,672	235,910
All other markets	551,763	502,620	761,284	369,801	226,523	605,629	979,484
Total exports	1,186,525	900,136	1,353,894	685,110	438,526	1,277,301	1,215,394
Total shipments	2,031,712	2,065,301	2,180,856	1,034,649	996,625	2,048,332	2,455,427
	<b>Ratios and shares (percent)</b>						
Capacity utilization	33.2	33.7	34.7	34.5	34.9	33.9	39.6
Inventories/production	7.8	8.6	6.6	9.0	9.9	8.1	5.0
Inventories/total shipments	7.8	8.7	6.5	9.3	10.6	8.2	4.9
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	9.9	10.5	8.2	6.2	14.6	8.3	9.6
Commercial home market shipments	31.7	45.9	29.7	27.6	41.4	29.4	40.9
Total home market shipments	41.6	56.4	37.9	33.8	56.0	37.6	50.5
Export shipments to:							
United States	31.2	19.2	27.2	30.5	21.3	32.8	9.6
All other markets	27.2	24.3	34.9	35.7	22.7	29.6	39.9
Total exports	58.4	43.6	62.1	66.2	44.0	62.4	49.5
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note.—Projected exports to the United States in 2018 reflect \*\*\*.

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

## U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-28 presents data on U.S. importers' reported inventories of LDWP. U.S. importers' end-of-period inventories of imports from subject countries increased by \*\*\* percent from 2015 to 2017, but were lower by \*\*\* percent in interim 2018 than in interim 2017. \*\*\*.

### Table VII-28

LDWP: U.S. importers' inventories, 2015-17, January to June 2017, January to June 2018

\* \* \* \* \*

## U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of LDWP from Canada, China, Greece, India, Korea, and Turkey after June 30, 2018 (table VII-29). There were no reported arranged imports for LDWP from China or India after June 30, 2018.

### Table VII-29

LDWP: Arranged imports, July 2018 through June 2019

\* \* \* \* \*

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

LDWP from Canada, China, Greece, India, Korea, and Turkey have been subject to other antidumping and countervailing duty investigations and orders or increased tariffs, outside the United States. Table VII-30 presents the AD/CVD orders on LDWP in third country markets.

**Table VII-30**

**LDWP: AD/CVD orders and increased tariffs in third country markets**

Member/ Observer	Action/measure
Canada	On February 24, 2016, The Canada Border Services Agency (CBSA) made affirmative final AD & CVD determinations concerning imports of certain carbon and alloy steel line pipe (HS 7304.19.00; 7305.11.00; 7305.12.00; 7305.19.00; 7306.19.00) from China.
Canada	On December 5, 2017, CBSA made an affirmative final AD determination concerning certain carbon and alloy line pipe (HS 7304.19.00; 7305.11.00; 7305.12.00; 7305.19.00; 7306.19.00) from the Republic of Korea.
Canada	On September 20, 2016, CBSA made affirmative final AD & CVD determinations concerning imports of large diameter carbon and alloy steel line pipe (HS 7305.11.00; 7305.12.00; 7305.19.00) from China and Japan.
Canada	On July 1, 2018, Canada indicated it will impose countermeasures (surtaxes) against C\$16.6 billion in imports of steel, aluminum, and other products from the U.S., representing the value of 2017 Canadian exports affected by the U.S. tariffs (HS 7305.11.00; 7305.12.00; 7305.19.00; 7305.31.00; 7306.19.00).
Russian Federation	Increase of import tariffs (up to 15%) on certain types of flat metals, and certain types of ferrous metal pipes (up to 15%-20%) (HS 7213, 7214, 7216, 7219, 7220, 7227, 7228, 7303, 7304, 7305, 7306), for nine months
SACU - Southern African Customs Union	Increase of import tariffs (to 15%) on tubes, pipes and hollow profiles, of cast iron (HS 7303.00; 7305.11; 7305.12; 7305.19; 7305.20; 7305.31.10; 7305.31.90; 7305.39.10; 7305.39.90; 7305.90.10; 7305.90.90; 7306.19; 7306.29; 7306.30.30; 7306.30.40). Imports from the EU, EFTA, and the Southern African Development Community (SADC) members exempted
Turkey	Initiation on 27 April 2018 of safeguard investigation on imports of iron and steel products (HS 7208; 7209; 7210; 7211; 7212; 7225; 7226; 7213; 7214; 7215; 7216; 7217; 7227; 7228; 7302; 7303; 7304; 7305; 7306; 7219; 7220)
Brazil	Initiation on 8 June 2017 of anti-dumping investigation on imports of certain carbon and alloy steel line pipe (HS 7304.19.00; 7305.11.00; 7305.12.00; 7305.19.00; 7306.19.00) from Republic of Korea
Mexico	Final determination on April 20, 2016 of antidumping investigation on imports of carbon steel tubing with straight longitudinal or helical seams (HS 7305.11.01; 7305.11.99; 7305.12.01; 7305.12.99; 7305.19.01; 7305.19.99) from India, Spain, and the United States
European Union	On July 18, 2018 the EU imposed provisional safeguards on imports of certain steel products (HS Chapters 72 and 73)
Indonesia	Prolongation of the temporary revised import control procedures for steel and iron (originally implemented from 1 January 2011 to 31 December 2012)

Source: World Trade Organization, *Anti-dumping*, [https://www.wto.org/english/tratop\\_e/adp\\_e/adp\\_e.htm](https://www.wto.org/english/tratop_e/adp_e/adp_e.htm), (accessed various dates) and Canada Department of Finance. Countermeasures in Response to Unjustified Tariffs on Canadian Steel and Aluminum Products. June 29, 2018 <https://www.fin.gc.ca/access/tt-it/cacsap-cmpcaa-1-eng.asp>.

## INFORMATION ON NONSUBJECT COUNTRIES

Welded pipe is produced in substantial quantities by pipe and tube producers throughout the world. The World Steel Association publishes data on the broader product grouping of all welded tubes. From 2011 to 2015, global welded tube production increased by 30.1 percent.<sup>52</sup> In 2015, global welded tube production reached 110 million short tons. Most of the growth in welded tube production is attributable to China, which accounted for 70.1 percent of all global welded tube production in 2015.<sup>53</sup> According to table VII-31, the five largest global exporters of welded tube products by quantity in 2017 were Russia, Germany, India, China, Japan, Korea, Bulgaria, and Malaysia.

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<sup>52</sup> World Steel Association annual data has a year lag therefore, 2017 data are unavailable. China, the largest producer of welded pipes, did not report 2016 data for welded tubes which makes the 2016 global production level unreliable.

<sup>53</sup> World Steel Association, *Steel Statistical Yearbook*, November 2017, table 28. P.52.

**Table VII-31**  
**Welded pipe greater than 16" in diameter: Global exports by exporter, 2015-17**

Exporter	Calendar year		
	2015	2016	2017
	<b>Quantity (short tons)</b>		
United States	105,090	53,511	55,560
Canada	355,292	111,531	190,825
China	1,462,528	1,333,092	876,801
Greece	161,799	112,804	130,075
India	640,464	753,594	919,344
Korea	668,481	530,113	700,443
Turkey	213,986	220,772	163,133
Subject countries	3,502,549	3,061,906	2,980,621
All other major reporting exporters.--			
Russia	241,778	394,333	1,117,959
Germany	768,633	955,636	1,044,416
Japan	578,742	703,448	815,039
Bulgaria	381	5,661	331,175
Malaysia	606,207	67,949	302,027
Netherlands	250,061	251,118	203,938
Indonesia	696,532	51,252	120,535
Brazil	18,494	22,692	67,404
United Kingdom	87,796	203,690	61,159
Slovakia	53,385	58,780	58,973
All other exporters	1,034,901	850,607	315,931
Total global exports	7,944,550	6,680,582	7,474,739
	<b>Value (1,000 dollars)</b>		
United States	209,411	92,077	86,877
Canada	428,375	109,911	197,278
China	1,046,303	795,667	610,257
Greece	151,383	85,091	97,802
India	659,970	528,062	673,475
Korea	569,074	399,572	584,164
Turkey	186,787	177,103	121,716
Subject countries	3,041,893	2,095,405	2,284,692
All other major reporting exporters.--			
Russia	201,511	328,236	1,185,207
Germany	1,426,214	1,145,906	1,100,635
Japan	746,085	487,119	556,983
Bulgaria	497	7,801	383,606
Malaysia	670,730	74,906	236,356
Netherlands	321,750	452,310	286,073
Indonesia	691,487	46,884	75,081
Brazil	28,449	45,334	73,399
United Kingdom	92,814	217,938	58,243
Slovakia	31,574	32,035	39,232
All other exporters	1,799,907	1,102,417	387,476
Total global exports	9,262,322	6,128,369	6,753,861

Table continued on next page.



**Table VII-31--Continued**  
**Welded pipe greater than 16" in diameter: Global exports by exporter, 2015-17**

Exporter	Calendar year		
	2015	2016	2017
	<b>Unit value (dollars per short ton)</b>		
United States	1,993	1,721	1,564
Canada	1,206	985	1,034
China	715	597	696
Greece	936	754	752
India	1,030	701	733
Korea	851	754	834
Turkey	873	802	746
Subject countries	868	684	767
All other major reporting exporters.--			
Russia	833	832	1,060
Germany	1,856	1,199	1,054
Japan	1,289	692	683
Bulgaria	1,306	1,378	1,158
Malaysia	1,106	1,102	783
Netherlands	1,287	1,801	1,403
Indonesia	993	915	623
Brazil	1,538	1,998	1,089
United Kingdom	1,057	1,070	952
Slovakia	591	545	665
All other exporters	1,739	1,296	1,226
Total global exports	1,166	917	904
	<b>Share of quantity (percent)</b>		
United States	1.3	0.8	0.7
Canada	4.5	1.7	2.6
China	18.4	20.0	11.7
Greece	2.0	1.7	1.7
India	8.1	11.3	12.3
Korea	8.4	7.9	9.4
Turkey	2.7	3.3	2.2
Subject countries	44.1	45.8	39.9
All other major reporting exporters.--			
Russia	3.0	5.9	15.0
Germany	9.7	14.3	14.0
Japan	7.3	10.5	10.9
Bulgaria	0.0	0.1	4.4
Malaysia	7.6	1.0	4.0
Netherlands	3.1	3.8	2.7
Indonesia	8.8	0.8	1.6
Brazil	0.2	0.3	0.9
United Kingdom	1.1	3.0	0.8
Slovakia	0.7	0.9	0.8
All other exporters	13.0	12.7	4.2
Total global exports	100.0	100.0	100.0

Table continued on next page.

**Table VII-31--Continued**

**Welded pipe greater than 16" in diameter: Global exports by exporter, 2015-17**

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Korea data include both subject and nonsubject suppliers.

Source: Official exports statistics under HS subheadings 7305.11, 7305.12, 7305.19, 7305.31, and 7305.39 reported by various national statistical authorities in the GTA database, accessed October 5, 2018.

**APPENDIX A**

***FEDERAL REGISTER NOTICES***

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

<b>Citation</b>	<b>Title</b>	<b>Link</b>
83 FR 3187 January 23, 2018	<i>Large Diameter Welded Pipe From India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Institution of Antidumping and Countervailing Investigations and Scheduling of Preliminary Phase Investigations</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-23/pdf/2018-01157.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-23/pdf/2018-01157.pdf</a>
83 FR 7154 February 20, 2018	<i>Large Diameter Welded Pipe From India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Initiation of Countervailing Duty Investigations</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-02-20/pdf/2018-03304.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-02-20/pdf/2018-03304.pdf</a>
83 FR 10748 March 12, 2018	<i>Large Diameter Welded Pipe From Canada, China, Greece, India, Korea, and Turkey Determinations 1</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-03-12/pdf/2018-04848.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-03-12/pdf/2018-04848.pdf</a>
83 FR 13946 April 2, 2018	<i>Large Diameter Welded Pipe From India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Postponement of Preliminary Determinations in the Countervailing Duty Investigations</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-04-02/pdf/2018-06596.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-04-02/pdf/2018-06596.pdf</a>
83 FR 7148 February 20, 2018	<i>Large Diameter Welded Pipe From India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Initiation of Countervailing Duty Investigations</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-01-23/pdf/2018-01157.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-01-23/pdf/2018-01157.pdf</a>
83 FR 27953 June 15, 2018	<i>Large Diameter Welded Pipe From Canada, Greece, India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-06-15/pdf/2018-12899.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-06-15/pdf/2018-12899.pdf</a>
83 FR 30693 June 29, 2018	<i>Large Diameter Welded Pipe From the Republic of Korea: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13566.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13566.pdf</a>

<b>Citation</b>	<b>Title</b>	<b>Link</b>
83 FR 30690 June 29, 2018	<i>Large Diameter Welded Pipe From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13564.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13564.pdf</a>
83 FR 30695 June 29, 2018	<i>Large Diameter Welded Pipe From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13567.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13567.pdf</a>
83 FR 30697 June 29, 2018	<i>Large Diameter Welded Pipe From the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13565.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-06-29/pdf/2018-13565.pdf</a>
83 FR 43651 August 27, 2018	<i>Large Diameter Welded Pipe From the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18486.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18486.pdf</a>
83 FR 43649 August 27, 2018	<i>Large Diameter Welded Pipe From Canada: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18488.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18488.pdf</a>
83 FR 43646 August 27, 2018	<i>Large Diameter Welded Pipe From the Republic of Turkey: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18490.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18490.pdf</a>
83 FR 43640 August 27, 2018	<i>Large Diameter Welded Pipe From Greece: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18487.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18487.pdf</a>
83 FR 43653 August 27, 2018	<i>Large Diameter Welded Pipe From India: Preliminary Determination of Sales at Less Than Fair Value</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18485.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18485.pdf</a>
83 FR 45279 September 6, 2018	<i>Large Diameter Welded Pipe From Canada, China, Greece, India, Korea, and Turkey; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-09-06/pdf/2018-19280.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-09-06/pdf/2018-19280.pdf</a>

Citation	Title	Link
83 FR 43644 September 27, 2018	<i>Large Diameter Welded Pipe From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18489.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-08-27/pdf/2018-18489.pdf</a>
83 FR 48795 September 27, 2018	<i>Large Diameter Welded Pipe From Greece: Amended Preliminary Determination of Sales at Less Than Fair Value</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-09-27/pdf/2018-20935.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-09-27/pdf/2018-20935.pdf</a>
83 FR 56819 November 14, 2018	<i>Large Diameter Welded Pipe From India: Final Affirmative Countervailing Duty Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24804.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24804.pdf</a>
83 FR 56811 November 14, 2018	<i>Large Diameter Welded Pipe From India: Final Determination of Sales at Less Than Fair Value; 2017</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24806.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24806.pdf</a>
83 FR 56816 November 14, 2018	<i>Large Diameter Welded Pipe From the People's Republic of China: Final Determination of Sales at Less Than Fair Value</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24807.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24807.pdf</a>
83 FR 56804 November 14, 2018	<i>Countervailing Duty Investigation of Large Diameter Welded Pipe From the People's Republic of China: Final Affirmative Determination</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24805.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-11-14/pdf/2018-24805.pdf</a>

**APPENDIX B**

**LIST OF HEARING WITNESSES**





## CALENDAR OF PUBLIC HEARING

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

**Subject:** Large Diameter Welded Pipe from Canada, China, Greece, India, Korea, and Turkey

**Inv. Nos.:** 701-TA-593-596 and 731-TA-1401-1406 (Final)

**Date and Time:** November 6, 2018 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

### **EMBASSY APPEARANCE:**

**The Embassy of Greece  
Washington, DC**

**Theodosios Vallas, Minister Plenipotentiary, Head of the Office for  
Economic & Commercial Affairs**

### **OPENING REMARKS:**

Petitioners (**Laura El-Sabaawi**, Wiley Rein LLP)  
Respondents (**Deanna Tanner Okun**, Adduci, Mastriani & Schaumberg LLP)

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

Wiley Rein LLP  
Washington, DC  
on behalf of

Petitioners

**Jason Norris**, President Dura-Bond Industries

**John P. Stupp Jr.**, President and Chief Executive Officer,  
Stupp Bros.; and Chief Executive Officer, Stupp Corporation

**John Clark**, Chief Commercial Officer, Stupp Corporation

**Robert Griggs**, President and Chief Executive Officer,  
Trinity Product

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

**Michael Chefren**, Chief Operations Officer, Skyline Steel

**Ingo Riemer**, President *and* Chief Executive Officer,  
Berg Steel Pipe Corp.

**Jonathan Kirkland**, Vice President, Sales and Logistics,  
Berg Steel Pipe Corp.

**Jon Noland**, Division Sales Manager, American  
Cast Iron Pipe Company

**Mike O'Brien**, Vice President of Sales *and* Secretary,  
American Cast Iron Pipe Company

**Wesley Hendricks**, Vice President of Commercial Pipe Sales,  
JSW Steel (USA) Inc.

**Burton Bluestone**, President, Greens Bayou Pipe Mill, LP

**Russell Fisher**, Senior Vice President of Sales and Marketing,  
Welspun Global Trade LLC

**Robert Y. Kopf**, General Manager, Business Support  
United States Steel Corporation

**Kris Coates**, General Manager, Marketing and Business Information,  
SSAB Americas

**Dr. Seth Kaplan**, Senior Economic Advisor, Capital Trade, Inc.

**Andrew Szamosszegi**, Principal, Capital Trade, Inc.

**Timothy C. Brightbill** )  
**Laura El-Sabaawi** ) – OF COUNSEL  
**Tessa V. Capeloto** )

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

Vorys, Sater, Seymour, and Pease LLP  
Washington, DC  
on behalf of

Corinth Pipeworks Pipe Industry S.A.  
CPW America Co. (collectively “CPW”)

**Apostolos Papavasileiou**, Chief Executive Officer, Corinth  
Pipeworks Pipe Industry S.A.

**Alexandra Tzanetopoulou**, Legal Advisor, Corinth Pipeworks  
Pipe Industry S.A.

**Dianne Burger**, President, CPW America Co.

**Mark Soloninka**, Vice President, CPW America Co.

**Rebecca L. Woodings**, Economic Consultant

**Frederick P. Waite** )  
 ) – OF COUNSEL  
**Kimberly R. Young** )

Cassidy Levy Kent (USA) LLP  
Adduci, Mastriani & Schaumberg LLP  
Hogan Lovells US LLP  
Washington, DC  
on behalf of

Evraz, Inc. NA (“Evraz”)  
ICF Incorporated, L.L.C.

**Conrad Winkler**, President and Chief Executive Officer,  
Evraz

**Dave Coffin**, Vice President Sales-Tubular, Evraz

**Harry Vidas**, Vice President, ICF Incorporated L.L.C.

**James R. Cannon, Jr.** )  
**Deanna Tanner Okun** ) – OF COUNSEL  
**Craig A. Lewis** )

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

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

Borusan Mannesmann Boru Saayi ve Ticaret A.S.  
Borusan Istikbal Ticaret T.A.S. (collectively “Borusan”)

**Zafer Atabey**, Chief Executive Officer, Borusan Mannesmann

**Ugur Onbasi**, Executive Vice President, Pipeline Projects,  
Borusan Mannesmann

**Todd Phillips**, Vice President, Borusan Mannesmann Pipe

**Emma K. Peterson**, Trade Analyst, Morris, Manning & Martin, LLP

**Julie C. Mendoza** )  
**Donald B. Cameron** ) – OF COUNSEL  
**R. Will Planert** )

Arent Fox LLP  
Washington, DC  
on behalf of

Turkish Producers and Exporters

**Matthew M. Nolan** ) – OF COUNSEL

**REBUTTAL/CLOSING REMARKS:**

Petitioners (**Timothy C. Brightbill**, Wiley Rein LLP; and  
**Dr. Seth Kaplan**, Capital Trade)

Respondents (**Frederick P. Waite**, Vorys, Sater, Seymour, and Pease LLP;  
**Julie C. Mendoza**, Morris, Manning & Martin, LLP; and  
**James R. Cannon, Jr.**, Cassidy Levy Kent (USA) LLP)

**-END-**

**APPENDIX C**  
**SUMMARY DATA**

Table C-1: Single like product: Summary data concerning all LDWP.....	C-3
Table C-2: Split like product: Summary data concerning LDW line pipe .....	C-5
Table C-3: Split like product: Summary data concerning LDW structural pipe .....	C-7
Table C-4: Split like product: LDW stainless steel structural pipe .....	C-9
Table C-5: Split like product: LDW carbon and other alloy steel structural pipe .....	C-11
Table C-6: Split like product: LDW carbon and other alloy steel pipe .....	C-13
Table C-7: Related party exclusion: single like product.....	C-15
Table C-2 Alternative: Related party exclusion: split like product: LDW line pipe .....	C-17
Table C-3 Alternative: Split like product: LDW structural pipe .....	C-19
Table C-4 Alternative: Split like product: LDW stainless structural pipe .....	C-21
Table C-5 Alternative: Split like product: LDW carbon and other alloy structural pipe .....	C-23
Table C-6 Alternative: Split like product: LDW carbon and other alloy steel pipe .....	C-25

**Single like product, co-extensive: All LDWP**

Table C-1

LDWP: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	3,133,643	2,271,947	2,337,583	1,057,082	1,013,229	(25.4)	(27.5)	2.9	(4.1)
Producers' share (fn1).....	56.9	67.0	54.6	53.9	56.9	(2.4)	10.1	(12.5)	3.0
<b>Importers' share (fn1):</b>									
Canada.....	10.8	3.0	7.5	7.4	9.9	(3.3)	(7.8)	4.5	2.5
China.....	1.7	0.9	1.5	1.9	1.0	(0.2)	(0.7)	0.6	(0.9)
Greece.....	6.4	4.0	0.6	0.2	10.0	(5.8)	(2.4)	(3.4)	9.8
India.....	1.6	1.4	16.8	18.9	0.2	15.1	(0.2)	15.3	(18.8)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.1	5.3	2.7	3.5	0.5	(1.4)	1.2	(2.6)	(3.0)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	(0.0)	(0.0)	---
All other sources.....	10.5	9.9	7.7	6.3	9.4	(2.8)	(0.6)	(2.2)	3.2
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	43.1	33.0	45.4	46.1	43.1	2.4	(10.1)	12.5	(3.0)
<b>U.S. consumption value:</b>									
Amount.....	3,488,860	2,234,580	2,248,792	977,836	1,136,383	(35.5)	(36.0)	0.6	16.2
Producers' share (fn1).....	58.2	69.1	59.4	59.7	59.8	1.2	10.9	(9.7)	0.1
<b>Importers' share (fn1):</b>									
Canada.....	11.9	3.0	8.0	7.2	11.5	(3.8)	(8.9)	5.1	4.4
China.....	1.2	0.6	1.4	1.7	1.1	0.3	(0.5)	0.8	(0.6)
Greece.....	6.0	3.3	0.5	0.1	7.8	(5.5)	(2.7)	(2.8)	7.8
India.....	1.5	1.2	13.1	16.0	0.2	11.6	(0.3)	11.9	(15.8)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.5	5.8	2.7	3.7	0.5	(1.8)	1.3	(3.1)	(3.3)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	(0.0)	(0.0)	---
All other sources.....	10.9	9.6	7.6	5.8	9.8	(3.3)	(1.3)	(2.0)	4.0
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	41.8	30.9	40.6	40.3	40.2	(1.2)	(10.9)	9.7	(0.1)
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	338,166	67,666	174,207	78,663	100,254	(48.5)	(80.0)	157.5	27.4
Value.....	413,856	66,067	180,984	70,109	131,217	(56.3)	(84.0)	173.9	87.2
Unit value.....	\$1,224	\$976	\$1,039	\$891	\$1,309	(15.1)	(20.2)	6.4	46.9
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	52,301	20,991	35,339	20,334	9,967	(32.4)	(59.9)	68.4	(51.0)
Value.....	40,494	14,119	31,782	17,077	12,873	(21.5)	(65.1)	125.1	(24.6)
Unit value.....	\$774	\$673	\$899	\$840	\$1,292	16.2	(13.1)	33.7	53.8
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	201,344	90,802	13,854	2,097	101,607	(93.1)	(54.9)	(84.7)	4,744.3
Value.....	208,570	74,072	11,420	601	88,769	(94.5)	(64.5)	(84.6)	14,661.0
Unit value.....	\$1,036	\$816	\$824	\$287	\$874	(20.4)	(21.3)	1.0	204.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	51,091	32,719	392,135	200,292	1,887	667.5	(36.0)	1,098.5	(99.1)
Value.....	52,095	26,689	295,423	156,497	2,207	467.1	(48.8)	1,006.9	(98.6)
Unit value.....	\$1,020	\$816	\$753	\$781	\$1,169	(26.1)	(20.0)	(7.6)	49.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea subject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey subject:</b>									
Quantity.....	127,233	119,570	62,490	36,953	4,985	(50.9)	(6.0)	(47.7)	(86.5)
Value.....	156,625	130,450	61,235	36,547	5,523	(60.9)	(16.7)	(53.1)	(84.9)
Unit value.....	\$1,231	\$1,091	\$980	\$989	\$1,108	(20.4)	(11.4)	(10.2)	12.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less Greece:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea nonsubject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey nonsubject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued

## LDWP: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to June		Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
All other sources:									
Quantity.....	328,727	224,749	180,465	66,114	95,446	(45.1)	(31.6)	(19.7)	44.4
Value.....	379,887	214,552	170,122	56,896	111,427	(55.2)	(43.5)	(20.7)	95.8
Unit value.....	\$1,156	\$955	\$943	\$861	\$1,167	(18.4)	(17.4)	(1.3)	35.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	1,350,322	748,879	1,062,270	487,282	436,473	(21.3)	(44.5)	41.8	(10.4)
Value.....	1,458,943	690,154	912,361	394,420	456,725	(37.5)	(52.7)	32.2	15.8
Unit value.....	\$1,080	\$922	\$859	\$809	\$1,046	(20.5)	(14.7)	(6.8)	29.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity.....	3,911,962	4,008,312	3,886,062	1,943,031	1,959,698	(0.7)	2.5	(3.0)	0.9
Production quantity.....	1,956,400	1,437,418	1,259,929	574,037	641,763	(35.6)	(26.5)	(12.3)	11.8
Capacity utilization (fn1).....	50.0	35.9	32.4	29.5	32.7	(17.6)	(14.1)	(3.4)	3.2
U.S. shipments:									
Quantity.....	1,783,321	1,523,068	1,275,313	569,800	576,756	(28.5)	(14.6)	(16.3)	1.2
Value.....	2,029,917	1,544,426	1,336,431	583,416	679,658	(34.2)	(23.9)	(13.5)	16.5
Unit value.....	\$1,138	\$1,014	\$1,048	\$1,024	\$1,178	(7.9)	(10.9)	3.3	15.1
Channels of distribution (fn1):									
to Distributors.....	13.0	12.5	22.1	26.5	23.1	9.2	(0.4)	9.6	(3.4)
to Oil and gas end users.....	80.3	81.3	69.3	65.5	68.5	(10.9)	1.0	(12.0)	3.0
to Other end users.....	6.7	6.1	8.5	8.0	8.4	1.8	(0.6)	2.4	0.4
Export shipments:									
Quantity.....	49,714	1,814	19,368	18,674	1,070	(61.0)	(96.4)	967.7	(94.3)
Value.....	59,672	2,655	21,951	20,254	1,560	(63.2)	(95.6)	726.8	(92.3)
Unit value.....	\$1,200	\$1,464	\$1,133	\$1,085	\$1,458	(5.6)	21.9	(22.6)	34.4
Ending inventory quantity.....	265,713	178,182	143,436	163,741	207,361	(46.0)	(32.9)	(19.5)	26.6
Inventories/total shipments (fn1).....	14.5	11.7	11.1	13.9	17.9	(3.4)	(2.8)	(0.6)	4.0
Production workers.....	3,275	2,651	2,372	2,138	2,049	(27.6)	(19.1)	(10.5)	(4.2)
Hours worked (1,000s).....	6,959	5,415	4,821	2,242	2,440	(30.7)	(22.2)	(11.0)	8.8
Wages paid (\$1,000).....	191,432	148,645	127,191	64,719	65,120	(33.6)	(22.4)	(14.4)	0.6
Hourly wages (dollars per hour).....	\$27.51	\$27.45	\$26.38	\$28.87	\$26.69	(4.1)	(0.2)	(3.9)	(7.5)
Productivity (short tons per 1,000 hours).....	281.1	265.5	261.3	256.0	263.0	(7.0)	(5.6)	(1.5)	2.7
Unit labor costs.....	\$97.85	\$103.41	\$100.95	\$112.74	\$101.47	3.2	5.7	(2.4)	(10.0)
Net sales:									
Quantity.....	1,833,035	1,524,882	1,294,681	588,474	577,826	(29.4)	(16.8)	(15.1)	(1.8)
Value.....	2,189,467	1,606,341	1,390,638	624,549	698,873	(36.5)	(26.6)	(13.4)	11.9
Unit value.....	\$1,194	\$1,053	\$1,074	\$1,061	\$1,209	(10.1)	(11.8)	2.0	14.0
Cost of goods sold (COGS).....	1,899,622	1,477,777	1,239,797	561,940	625,226	(34.7)	(22.2)	(16.1)	11.3
Gross profit or (loss).....	289,845	128,564	150,841	62,609	73,647	(48.0)	(55.6)	17.3	17.6
SG&A expenses.....	140,792	116,133	96,667	47,294	56,223	(31.3)	(17.5)	(16.8)	18.9
Operating income or (loss).....	149,053	12,431	54,174	15,315	17,424	(63.7)	(91.7)	335.8	13.8
Net income or (loss).....	26,760	(57,812)	29,417	4,427	(696)	9.9	fn2	fn2	fn2
Capital expenditures.....	88,368	48,108	24,088	13,239	8,349	(72.7)	(45.6)	(49.9)	(36.9)
Unit COGS.....	\$1,036	\$969	\$958	\$955	\$1,082	(7.6)	(6.5)	(1.2)	13.3
Unit SG&A expenses.....	\$77	\$76	\$75	\$80	\$97	(2.8)	(0.8)	(2.0)	21.1
Unit operating income or (loss).....	\$81	\$8	\$42	\$26	\$30	(48.5)	(90.0)	413.3	15.9
Unit net income or (loss).....	\$15	\$(38)	\$23	\$8	\$(1)	55.6	fn2	fn2	fn2
COGS/sales (fn1).....	86.8	92.0	89.2	90.0	89.5	2.4	5.2	(2.8)	(0.5)
Operating income or (loss)/sales (fn1).....	6.8	0.8	3.9	2.5	2.5	(2.9)	(6.0)	3.1	0.0
Net income or (loss)/sales (fn1).....	1.2	(3.6)	2.1	0.7	(0.1)	0.9	(4.8)	5.7	(0.8)

## Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and proprietary \*\*\* records (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.



## Split like product: LDW line pipe

Table C-2

LDW line pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	2,870,827	1,999,775	2,025,788	913,317	889,026	(29.4)	(30.3)	1.3	(2.7)
Producers' share (fn1).....	55.1	66.3	52.4	51.2	55.5	(2.7)	11.2	(13.8)	4.2
<b>Importers' share (fn1):</b>									
Canada.....	11.3	2.9	8.0	7.9	10.9	(3.3)	(8.4)	5.1	3.0
China.....	1.2	0.6	0.7	1.1	0.4	(0.5)	(0.6)	0.1	(0.6)
Greece.....	7.0	4.5	0.7	0.2	11.4	(6.3)	(2.5)	(3.9)	11.2
India.....	1.8	1.6	19.3	21.9	0.2	17.6	(0.1)	17.7	(21.8)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.4	5.8	2.3	3.4	0.1	(2.1)	1.4	(3.6)	(3.3)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less China and Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	(0.0)	(0.0)	---
All other sources.....	10.8	9.8	7.6	6.2	9.3	(3.2)	(1.0)	(2.2)	3.1
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus China and Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	44.9	33.7	47.6	48.8	44.5	2.7	(11.2)	13.8	(4.2)
<b>U.S. consumption value:</b>									
Amount.....	3,198,936	2,004,876	1,955,243	845,210	989,128	(38.9)	(37.3)	(2.5)	17.0
Producers' share (fn1).....	55.9	67.8	56.9	56.7	57.6	1.0	11.9	(10.9)	1.0
<b>Importers' share (fn1):</b>									
Canada.....	12.6	2.9	8.8	7.8	13.0	(3.9)	(9.7)	5.8	5.2
China.....	0.8	0.4	0.6	0.8	0.3	(0.2)	(0.4)	0.2	(0.4)
Greece.....	6.5	3.7	0.6	0.1	9.0	(5.9)	(2.8)	(3.1)	8.9
India.....	1.6	1.3	15.1	18.5	0.1	13.5	(0.3)	13.8	(18.4)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.8	6.4	2.3	3.7	0.2	(2.5)	1.5	(4.0)	(3.5)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less China and Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	0.0	(0.0)	---
All other sources.....	11.2	9.3	7.5	5.8	9.2	(3.7)	(1.9)	(1.8)	3.3
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus China and Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	44.1	32.2	43.1	43.3	42.4	(1.0)	(11.9)	10.9	(1.0)
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	324,081	57,112	161,169	71,846	96,783	(50.3)	(82.4)	182.2	34.7
Value.....	403,449	58,762	171,292	65,627	128,425	(57.5)	(85.4)	191.5	95.7
Unit value.....	\$1,245	\$1,029	\$1,063	\$913	\$1,327	(14.6)	(17.4)	3.3	45.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	34,013	12,263	14,442	9,704	3,829	(57.5)	(63.9)	17.8	(60.5)
Value.....	25,977	7,595	11,940	6,658	3,424	(54.0)	(70.8)	57.2	(48.6)
Unit value.....	\$764	\$619	\$827	\$686	\$894	8.3	(18.9)	33.5	30.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	201,344	90,802	13,811	2,054	101,607	(93.1)	(54.9)	(84.8)	4,847.0
Value.....	208,570	74,072	11,377	559	88,769	(94.5)	(64.5)	(84.6)	15,780.4
Unit value.....	\$1,036	\$816	\$824	\$272	\$874	(20.5)	(21.3)	1.0	221.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	51,072	32,693	391,976	200,292	1,492	667.5	(36.0)	1,099.0	(99.3)
Value.....	52,040	26,663	295,220	156,497	1,294	467.3	(48.8)	1,007.2	(99.2)
Unit value.....	\$1,019	\$816	\$753	\$781	\$868	(26.1)	(20.0)	(7.7)	11.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea subject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey subject:</b>									
Quantity.....	125,951	116,311	45,720	31,201	874	(63.7)	(7.7)	(60.7)	(97.2)
Value.....	154,816	127,760	45,787	30,983	1,850	(70.4)	(17.5)	(64.2)	(94.0)
Unit value.....	\$1,229	\$1,098	\$1,001	\$993	\$2,117	(18.5)	(10.6)	(8.8)	113.2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less China and Greece:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea nonsubject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey nonsubject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-2--Continued

## LDW line pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to June		Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
All other sources:									
Quantity.....	310,478	196,583	153,883	56,607	82,360	(50.4)	(36.7)	(21.7)	45.5
Value.....	358,566	186,232	146,169	49,217	90,557	(59.2)	(48.1)	(21.5)	84.0
Unit value.....	\$1,155	\$947	\$950	\$869	\$1,100	(17.8)	(18.0)	0.3	26.5
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus China and Greece:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	1,289,161	674,705	963,758	445,334	395,753	(25.2)	(47.7)	42.8	(11.1)
Value.....	1,410,835	645,289	843,181	366,233	419,028	(40.2)	(54.3)	30.7	14.4
Unit value.....	\$1,094	\$956	\$875	\$822	\$1,059	(20.1)	(12.6)	(8.5)	28.8
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity.....	3,224,017	3,349,787	3,102,518	1,542,866	1,574,155	(3.8)	3.9	(7.4)	2.0
Production quantity.....	1,748,554	1,231,902	1,039,228	459,448	532,140	(40.6)	(29.5)	(15.6)	15.8
Capacity utilization (fn1).....	54.2	36.8	33.5	29.8	33.8	(20.7)	(17.5)	(3.3)	4.0
U.S. shipments:									
Quantity.....	1,581,666	1,325,070	1,062,030	467,983	493,273	(32.9)	(16.2)	(19.9)	5.4
Value.....	1,788,101	1,359,587	1,112,062	478,977	570,100	(37.8)	(24.0)	(18.2)	19.0
Unit value.....	\$1,131	\$1,026	\$1,047	\$1,023	\$1,156	(7.4)	(9.2)	2.1	12.9
Channels of distribution (fn1):									
to Distributors.....	9.9	7.3	17.8	21.9	21.2	7.9	(2.6)	10.5	(0.7)
to Oil and gas end users.....	89.5	92.7	82.2	78.1	78.8	(7.3)	3.2	(10.5)	0.7
to Other end users.....	0.6	---	---	---	---	(0.6)	(0.6)	---	---
Export shipments:									
Quantity.....	47,889	1,648	19,151	18,624	1,064	(60.0)	(96.6)	1,062.1	(94.3)
Value.....	57,626	1,718	20,196	19,596	1,553	(65.0)	(97.0)	1,075.6	(92.1)
Unit value.....	\$1,203	\$1,042	\$1,055	\$1,052	\$1,460	(12.4)	(13.4)	1.2	38.7
Ending inventory quantity.....	239,089	144,273	102,320	117,115	140,123	(57.2)	(39.7)	(117,115)	19.6
Inventories/total shipments (fn1).....	14.7	10.9	9.5	12.0	14.2	(5.2)	(3.8)	(1.4)	2.1
Production workers.....	2,618	1,979	1,725	1,497	1,454	(34.1)	(24.4)	(12.8)	(2.9)
Hours worked (1,000s).....	5,590	4,025	3,435	1,540	1,803	(38.6)	(28.0)	(14.7)	17.1
Wages paid (\$1,000).....	162,750	118,569	97,200	49,126	51,075	(40.3)	(27.1)	(18.0)	4.0
Hourly wages (dollars per hour).....	\$29.11	\$29.46	\$28.30	\$31.90	\$28.33	(2.8)	1.2	(3.9)	(11.2)
Productivity (short tons per 1,000 hours).....	312.8	306.1	302.5	298.3	295.1	(3.3)	(2.2)	(1.2)	(1.1)
Unit labor costs.....	\$93.08	\$96.25	\$93.53	\$106.92	\$95.98	0.5	3.4	(2.8)	(10.2)
Net sales:									
Quantity.....	1,629,555	1,326,718	1,081,181	486,607	494,337	(33.7)	(18.6)	(18.5)	1.6
Value.....	1,945,605	1,420,565	1,164,514	519,452	589,308	(40.1)	(27.0)	(18.0)	13.4
Unit value.....	\$1,194	\$1,071	\$1,077	\$1,067	\$1,192	(9.8)	(10.3)	0.6	11.7
Cost of goods sold (COGS).....	1,686,927	1,307,944	1,046,046	471,164	531,689	(38.0)	(22.5)	(20.0)	12.8
Gross profit or (loss).....	258,678	112,621	118,468	48,288	57,619	(54.2)	(56.5)	5.2	19.3
SG&A expenses.....	118,906	92,993	73,601	34,784	45,569	(38.1)	(21.8)	(20.9)	31.0
Operating income or (loss).....	139,772	19,628	44,867	13,504	12,050	(67.9)	(86.0)	128.6	(10.8)
Net income or (loss).....	20,543	(41,339)	24,406	5,244	(5,318)	18.8	fn2	fn2	fn2
Capital expenditures.....	85,265	28,170	12,634	6,188	6,355	(85.2)	(67.0)	(55.2)	2.7
Unit COGS.....	\$1,035	\$986	\$968	\$968	\$1,076	(6.5)	(4.8)	(1.9)	11.1
Unit SG&A expenses.....	\$73	\$70	\$68	\$71	\$92	(6.7)	(3.9)	(2.9)	29.0
Unit operating income or (loss).....	\$86	\$15	\$41	\$28	\$24	(51.6)	(82.8)	180.5	(12.2)
Unit net income or (loss).....	\$13	\$(31)	\$23	\$11	\$(11)	79.1	fn2	fn2	fn2
COGS/sales (fn1).....	86.7	92.1	89.8	90.7	90.2	3.1	5.4	(2.2)	(0.5)
Operating income or (loss)/sales (fn1).....	7.2	1.4	3.9	2.6	2.0	(3.3)	(5.8)	2.5	(0.6)
Net income or (loss)/sales (fn1).....	1.1	(2.9)	2.1	1.0	(0.9)	1.0	(4.0)	5.0	(1.9)

## Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and proprietary \*\*\* records (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000, accessed September 19, 2018

## Split like product: LDW structural pipe

Table C-3

LDW structural pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	262,816	272,172	311,796	143,764	124,203	18.6	3.6	14.6	(13.6)
Producers' share (fn1).....	76.7	72.7	68.4	70.8	67.2	(8.3)	(4.0)	(4.3)	(3.6)
<b>Importers' share (fn1):</b>									
Canada.....	5.4	3.9	4.2	4.7	2.8	(1.2)	(1.5)	0.3	(1.9)
China.....	7.0	3.2	6.7	7.4	4.9	(0.3)	(3.8)	3.5	(2.5)
Greece.....	---	---	0.0	0.0	---	0.0	---	0.0	(0.0)
India.....	0.0	0.0	0.1	---	0.3	0.0	0.0	0.0	0.3
Korea.....	3.5	8.6	6.7	6.4	10.9	3.2	5.1	(1.9)	4.5
Turkey.....	0.5	1.2	5.4	4.0	3.3	4.9	0.7	4.2	(0.7)
Subject sources.....	16.3	16.9	23.1	22.6	22.2	6.7	0.6	6.2	(0.3)
Subject sources less India and Greece.....	16.3	16.9	23.0	22.5	21.9	6.7	0.6	6.1	(0.6)
Nonsubject sources.....	6.9	10.3	8.5	6.6	10.5	1.6	3.4	(1.8)	3.9
Nonsubject sources plus India and Greece.....	7.0	10.4	8.6	6.6	10.9	1.6	3.4	(1.8)	4.2
All import sources.....	23.3	27.3	31.6	29.2	32.8	8.3	4.0	4.3	3.6
<b>U.S. consumption value:</b>									
Amount.....	301,444	263,980	309,502	139,023	159,799	2.7	(12.4)	17.2	14.9
Producers' share (fn1).....	80.2	70.0	72.5	75.1	68.6	(7.7)	(10.2)	2.5	(6.6)
<b>Importers' share (fn1):</b>									
Canada.....	3.5	2.8	3.1	3.2	1.7	(0.3)	(0.7)	0.4	(1.5)
China.....	4.8	2.5	6.4	7.5	5.9	1.6	(2.3)	3.9	(1.6)
Greece.....	---	---	0.0	0.0	---	0.0	---	0.0	(0.0)
India.....	0.0	0.0	0.1	---	0.6	0.0	(0.0)	0.1	0.6
Korea.....	3.6	12.9	5.2	4.6	7.9	1.5	9.2	(7.7)	3.2
Turkey.....	0.8	1.2	5.0	4.0	2.3	4.2	0.4	3.8	(1.7)
Subject sources.....	12.7	19.3	19.8	19.4	18.4	7.1	6.5	0.5	(1.0)
Subject sources less India and Greece.....	12.7	19.2	19.7	19.3	17.8	7.0	6.6	0.4	(1.5)
Nonsubject sources.....	7.1	10.7	7.7	5.5	13.1	0.7	3.7	(3.0)	7.5
Nonsubject sources plus India and Greece.....	7.1	10.7	7.8	5.6	13.6	0.7	3.6	(2.9)	8.1
All import sources.....	19.8	30.0	27.5	24.9	31.4	7.7	10.2	(2.5)	6.6
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	14,085	10,554	13,038	6,817	3,471	(7.4)	(25.1)	23.5	(49.1)
Value.....	10,407	7,304	9,692	4,482	2,792	(6.9)	(29.8)	32.7	(37.7)
Unit value.....	\$739	\$692	\$743	\$657	\$804	0.6	(6.3)	7.4	22.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	18,288	8,728	20,897	10,629	6,137	14.3	(52.3)	139.4	(42.3)
Value.....	14,517	6,525	19,842	10,419	9,448	36.7	(55.1)	204.1	(9.3)
Unit value.....	\$794	\$748	\$950	\$980	\$1,539	19.6	(5.8)	27.0	57.1
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	---	---	44	44	---	fn2	fn2	fn2	(100.0)
Value.....	---	---	42	42	---	fn2	fn2	fn2	(100.0)
Unit value.....	---	---	\$974	\$974	---	fn2	fn2	fn2	(100.0)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	19	26	159	---	395	740.1	37.7	510.1	fn2
Value.....	54	26	202	---	912	273.7	(52.3)	683.8	fn2
Unit value.....	\$2,854	\$988	\$1,269	---	\$2,310	(55.5)	(65.4)	28.5	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea:</b>									
Quantity.....	9,237	23,441	21,023	9,198	13,519	127.6	153.8	(10.3)	47.0
Value.....	10,958	33,924	15,954	6,397	12,545	45.6	209.6	(53.0)	96.1
Unit value.....	\$1,186	\$1,447	\$759	\$695	\$928	(36.0)	22.0	(47.6)	33.4
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey:</b>									
Quantity.....	1,282	3,259	16,770	5,752	4,111	1,207.9	154.2	414.6	(28.5)
Value.....	2,369	3,042	15,447	5,565	3,674	552.0	28.4	407.9	(34.0)
Unit value.....	\$1,848	\$933	\$921	\$968	\$894	(50.1)	(49.5)	(1.3)	(7.6)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	42,912	46,008	71,931	32,440	27,634	67.6	7.2	56.3	(14.8)
Value.....	38,306	50,821	61,180	26,904	29,371	59.7	32.7	20.4	9.2
Unit value.....	\$893	\$1,105	\$851	\$829	\$1,063	(4.7)	23.7	(23.0)	28.2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less India and Greece:</b>									
Quantity.....	42,893	45,982	71,728	32,396	27,239	67.2	7.2	56.0	(15.9)
Value.....	38,252	50,795	60,935	26,862	28,459	59.3	32.8	20.0	5.9
Unit value.....	\$892	\$1,105	\$850	\$829	\$1,045	(4.7)	23.9	(23.1)	26.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources:</b>									
Quantity.....	18,250	28,166	26,581	9,508	13,086	45.7	54.3	(5.6)	37.6
Value.....	21,321	28,321	23,953	7,679	20,870	12.3	32.8	(15.4)	171.8
Unit value.....	\$1,168	\$1,005	\$901	\$808	\$1,595	(22.9)	(13.9)	(10.4)	97.5
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources plus India and Greece:</b>									
Quantity.....	18,269	28,192	26,784	9,551	13,481	46.6	54.3	(5.0)	41.1
Value.....	21,375	28,346	24,198	7,722	21,783	13.2	32.6	(14.6)	182.1
Unit value.....	\$1,170	\$1,005	\$903	\$808	\$1,616	(22.8)	(14.1)	(10.1)	99.9
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>All import sources:</b>									
Quantity.....	61,161	74,174	98,513	41,947	40,720	61.1	21.3	32.8	(2.9)
Value.....	59,628	79,141	85,133	34,584	50,241	42.8	32.7	7.6	45.3
Unit value.....	\$975	\$1,067	\$864	\$824	\$1,234	(11.4)	9.4	(19.0)	49.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-3--Continued

## LDW structural pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June		Comparison years			Jan-Jun	
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
U.S. producers:									
Average capacity quantity.....	687,945	658,525	783,544	400,165	385,543	13.9	(4.3)	19.0	(3.7)
Production quantity.....	207,846	205,516	220,701	114,589	109,623	6.2	(1.1)	7.4	(4.3)
Capacity utilization (fn1).....	30.2	31.2	28.2	28.6	28.4	(2.0)	1.0	(3.0)	(0.2)
U.S. shipments:									
Quantity.....	201,655	197,998	213,283	101,817	83,483	5.8	(1.8)	7.7	(18.0)
Value.....	241,816	184,839	224,369	104,439	109,558	(7.2)	(23.6)	21.4	4.9
Unit value.....	\$1,199	\$934	\$1,052	\$1,026	\$1,312	(12.3)	(22.2)	12.7	27.9
Channels of distribution (fn1):									
to Distributors.....	36.7	47.6	43.6	47.8	34.4	6.9	10.9	(4.0)	(13.4)
to Oil and gas end users.....	8.4	5.4	5.5	7.0	6.2	(2.9)	(3.0)	0.1	(0.7)
to Other end users.....	54.9	47.0	50.9	45.2	59.3	(4.1)	(7.9)	3.8	14.1
Export shipments:									
Quantity.....	1,825	166	217	50	6	(88.1)	(90.9)	30.7	(88.0)
Value.....	2,046	937	1,755	658	7	(14.2)	(54.2)	87.3	(98.9)
Unit value.....	\$1,121	\$5,645	\$8,088	\$13,160	\$1,167	621.4	403.5	43.3	(91.1)
Ending inventory quantity.....	26,624	33,909	41,116	46,626	67,238	54.4	27.4	21.3	44.2
Inventories/total shipments (fn1).....	13.1	17.1	19.3	22.9	40.3	6.2	4.0	2.1	17.4
Production workers.....	657	672	647	641	595	(1.5)	2.3	(3.7)	(7.2)
Hours worked (1,000s).....	1,369	1,390	1,386	702	637	1.2	1.5	(0.3)	(9.3)
Wages paid (\$1,000).....	28,682	30,076	29,991	15,593	14,045	4.6	4.9	(0.3)	(9.9)
Hourly wages (dollars per hour).....	\$20.95	\$21.64	\$21.64	\$22.21	\$22.05	3.3	3.3	0.0	(0.7)
Productivity (short tons per 1,000 hours).....	151.8	147.9	159.2	163.2	172.1	4.9	(2.6)	7.7	5.4
Unit labor costs.....	\$138.00	\$146.34	\$135.89	\$136.08	\$128.12	(1.5)	6.0	(7.1)	(5.8)
Net sales:									
Quantity.....	203,480	198,164	213,500	101,867	83,489	4.9	(2.6)	7.7	(18.0)
Value.....	243,862	185,776	226,124	105,097	109,565	(7.3)	(23.8)	21.7	4.3
Unit value.....	\$1,198	\$937	\$1,059	\$1,032	\$1,312	(11.6)	(21.8)	13.0	27.2
Cost of goods sold (COGS).....	212,695	169,833	193,751	90,776	93,537	(8.9)	(20.2)	14.1	3.0
Gross profit or (loss).....	31,167	15,943	32,373	14,321	16,028	3.9	(48.8)	103.1	11.9
SG&A expenses.....	21,886	23,140	23,066	12,510	10,654	5.4	5.7	(0.3)	(14.8)
Operating income or (loss).....	9,281	(7,197)	9,307	1,811	5,374	0.3	fn2	fn2	196.7
Net income or (loss).....	6,217	(16,473)	5,011	(817)	4,622	(19.4)	fn2	fn2	fn2
Capital expenditures.....	3,103	19,938	11,454	7,051	1,994	269.1	542.5	(42.6)	(71.7)
Unit COGS.....	\$1,045	\$857	\$907	\$891	\$1,120	(13.2)	(18.0)	5.9	25.7
Unit SG&A expenses.....	\$108	\$117	\$108	\$123	\$128	0.4	8.6	(7.5)	3.9
Unit operating income or (loss).....	\$46	\$(36)	\$44	\$18	\$64	(4.4)	fn2	fn2	262.1
Unit net income or (loss).....	\$31	\$(83)	\$23	\$(8)	\$55	(23.2)	fn2	fn2	fn2
COGS/sales (fn1).....	87.2	91.4	85.7	86.4	85.4	(1.5)	4.2	(5.7)	(1.0)
Operating income or (loss)/sales (fn1).....	3.8	(3.9)	4.1	1.7	4.9	0.3	(7.7)	8.0	3.2
Net income or (loss)/sales (fn1).....	2.5	(8.9)	2.2	(0.8)	4.2	(0.3)	(11.4)	11.1	5.0

## Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

## Split like product: LDW stainless steel structural pipe

Table C-4

LDW stainless steel structural pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):	***	***	***	***	***	***	***	***	***
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	2,013	***	***	***	***	***
Subject sources less Greece and Turkey.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and Turkey.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):	***	***	***	***	***	***	***	***	***
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and Turkey.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and Turkey.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	98	128	58	10	44	(41.0)	30.1	(54.7)	338.7
Value.....	756	810	458	86	387	(39.4)	7.1	(43.4)	349.4
Unit value.....	\$7,695	\$6,330	\$7,904	\$8,662	\$8,874	2.7	(17.7)	24.9	2.4
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	---	70	401	369	177	fn2	fn2	477.1	(51.9)
Value.....	---	253	2,335	2,013	1,137	fn2	fn2	823.6	(43.5)
Unit value.....	---	\$3,636	\$5,820	\$5,461	\$6,415	fn2	fn2	60.0	17.5
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
Value.....	---	---	---	---	---	fn2	fn2	fn2	fn2
Unit value.....	---	---	---	---	---	fn2	fn2	fn2	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	7	---	39	---	246	442.0	(100.0)	fn2	fn2
Value.....	36	---	107	---	793	200.6	(100.0)	fn2	fn2
Unit value.....	\$4,930	---	\$2,734	---	\$3,225	(44.5)	(100.0)	fn2	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea:</b>									
Quantity.....	435	2,978	30	---	1	(93.1)	585.2	(99.0)	fn2
Value.....	4,075	17,680	107	---	7	(97.4)	333.8	(99.4)	fn2
Unit value.....	\$9,378	\$5,938	\$3,591	---	\$4,603	(61.7)	(36.7)	(39.5)	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey:</b>									
Quantity.....	67	2	---	---	---	(100.0)	(97.6)	(100.0)	fn2
Value.....	944	10	---	---	---	(100.0)	(98.9)	(100.0)	fn2
Unit value.....	\$14,152	\$6,459	---	---	---	(100.0)	(54.4)	(100.0)	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	607	3,177	528	379	468	(13.0)	423.5	(83.4)	23.6
Value.....	5,812	18,753	3,007	2,099	2,324	(48.3)	222.7	(84.0)	10.7
Unit value.....	\$9,578	\$5,903	\$5,694	\$5,545	\$4,964	(40.6)	(38.4)	(3.6)	(10.5)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less Greece and Turkey:</b>									
Quantity.....	540	3,175	528	379	468	(2.2)	487.9	(83.4)	23.6
Value.....	4,867	18,743	3,007	2,099	2,324	(38.2)	285.1	(84.0)	10.7
Unit value.....	\$9,012	\$5,903	\$5,694	\$5,545	\$4,964	(36.8)	(34.5)	(3.5)	(10.5)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources:</b>									
Quantity.....	120	1,111	148	37	952	24.0	829.5	(86.7)	2,483.3
Value.....	1,131	3,973	912	327	5,220	(19.3)	251.3	(77.0)	1,498.7
Unit value.....	\$9,458	\$3,574	\$6,151	\$8,857	\$5,481	(35.0)	(62.2)	71.1	(38.1)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources plus Greece and Turkey:</b>									
Quantity.....	186	1,113	148	37	952	(20.4)	497.5	(86.7)	2,483.3
Value.....	2,075	3,983	912	327	5,220	(56.0)	91.9	(77.1)	1,498.7
Unit value.....	\$11,139	\$3,578	\$6,151	\$8,857	\$5,481	(44.8)	(67.9)	71.9	(38.1)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>All import sources:</b>									
Quantity.....	726	4,288	677	415	1,420	(6.9)	490.4	(84.2)	241.9
Value.....	6,943	22,726	3,920	2,426	7,544	(43.5)	227.3	(82.8)	211.0
Unit value.....	\$9,558	\$5,300	\$5,794	\$5,839	\$5,311	(39.4)	(44.6)	9.3	(9.0)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-4--Continued

LDW stainless steel structural pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
 fn2.--Undefined.  
 fn3.--Not gathered.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting number 7305.31.6010, accessed September 19, 2018.

## Split like product: LDW carbon and other alloy steel structural pipe

Table C-5

LDW carbon and other alloy steel structural pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years		Jan-Jun	
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	13,987	10,426	12,980	6,807	3,428	(7.2)	(25.5)	24.5	(49.6)
Value.....	9,651	6,495	9,234	4,396	2,405	(4.3)	(32.7)	42.2	(45.3)
Unit value.....	\$690	\$623	\$711	\$646	\$702	3.1	(9.7)	14.2	8.6
Ending inventory quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
<b>China:</b>									
Quantity.....	18,288	8,659	20,496	10,261	5,960	12.1	(52.7)	136.7	(41.9)
Value.....	14,517	6,272	17,507	8,405	8,311	20.6	(56.8)	179.1	(1.1)
Unit value.....	\$794	\$724	\$854	\$819	\$1,394	7.6	(8.8)	17.9	70.2
Ending inventory quantity.....	8,484	3,428	1,120	1,120	320	(86.8)	(59.6)	(67.3)	(71.4)
<b>Greece:</b>									
Quantity.....	---	---	44	44	---	fn2	fn2	fn2	(100.0)
Value.....	---	---	42	42	---	fn2	fn2	fn2	(100.0)
Unit value.....	---	---	\$974	\$974	---	fn2	fn2	fn2	(100.0)
Ending inventory quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
<b>India:</b>									
Quantity.....	12	26	120	---	149	923.4	122.3	360.3	fn2
Value.....	19	26	95	---	120	414.0	39.2	269.3	fn2
Unit value.....	\$1,578	\$988	\$793	---	\$802	(49.8)	(37.4)	(19.8)	fn2
Ending inventory quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
<b>Korea:</b>									
Quantity.....	8,803	20,463	20,993	9,198	13,518	138.5	132.5	2.6	47.0
Value.....	6,883	16,244	15,846	6,397	12,538	136.0	130.0	(2.4)	96.0
Unit value.....	\$782	\$794	\$755	\$695	\$927	(3.5)	1.5	(4.9)	33.4
Ending inventory quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
<b>Turkey:</b>									
Quantity.....	1,216	3,257	16,770	5,752	4,111	1,279.7	168.0	414.8	(28.5)
Value.....	1,425	3,031	15,447	5,565	3,674	984.1	112.7	409.6	(34.0)
Unit value.....	\$1,172	\$931	\$921	\$968	\$894	(21.4)	(20.6)	(1.0)	(7.6)
Ending inventory quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
<b>Subject sources:</b>									
Quantity.....	42,305	42,832	71,403	32,061	27,166	68.8	1.2	66.7	(15.3)
Value.....	32,495	32,068	58,172	24,805	27,047	79.0	(1.3)	81.4	9.0
Unit value.....	\$768	\$749	\$815	\$774	\$996	6.1	(2.5)	8.8	28.7
Ending inventory quantity.....	8,484	3,428	1,120	1,120	320	(86.8)	(59.6)	(67.3)	(71.4)
<b>Subject sources less Greece and India:</b>									
Quantity.....	42,293	42,806	71,239	32,018	27,017	68.4	1.2	66.4	(15.6)
Value.....	32,476	32,042	58,035	24,763	26,928	78.7	(1.3)	81.1	8.7
Unit value.....	\$768	\$749	\$815	\$773	\$997	6.1	(2.5)	8.8	28.9
Ending inventory quantity.....	8,484	3,428	1,120	1,120	320	(86.8)	(59.6)	(67.3)	(71.4)
<b>Nonsubject sources:</b>									
Quantity.....	18,130	27,054	26,433	9,471	12,134	45.8	49.2	(2.3)	28.1
Value.....	20,190	24,348	23,041	7,353	15,650	14.1	20.6	(5.4)	112.8
Unit value.....	\$1,114	\$900	\$872	\$776	\$1,290	(21.7)	(19.2)	(3.1)	66.1
Ending inventory quantity.....	18	7	7	7	7	(61.1)	(61.1)	---	---
<b>Nonsubject sources plus Greece and India:</b>									
Quantity.....	18,142	27,080	26,597	9,514	12,283	46.6	49.3	(1.8)	29.1
Value.....	20,209	24,374	23,179	7,395	15,770	14.7	20.6	(4.9)	113.2
Unit value.....	\$1,114	\$900	\$871	\$777	\$1,284	(21.8)	(19.2)	(3.2)	65.2
Ending inventory quantity.....	18	7	7	7	7	(61.1)	(61.1)	---	---
<b>All import sources:</b>									
Quantity.....	60,435	69,886	97,836	41,532	39,299	61.9	15.6	40.0	(5.4)
Value.....	52,685	56,416	81,213	32,158	42,697	54.1	7.1	44.0	32.8
Unit value.....	\$872	\$807	\$830	\$774	\$1,086	(4.8)	(7.4)	2.8	40.3
Ending inventory quantity.....	8,502	3,435	1,127	1,127	327	(86.7)	(59.6)	(67.2)	(71.0)

Table continued on next page.

Table C-5--Continued

**LDW carbon and other alloy steel structural pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018**

(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		2017	January to June		Comparison years			Jan-Jun 2017-18
	2015	2016		2017	2018	2015-17	2015-16	2016-17	
U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs..... per 1,000 hours.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.



## Split like product: LDW carbon and other alloy steel pipe

Table C-6

LDW carbon and other alloy steel pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June		Comparison years		Jan-Jun		
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	338,068	67,538	174,149	78,654	100,211	(48.5)	(80.0)	157.9	27.4
Value.....	413,100	65,257	180,526	70,023	130,830	(56.3)	(84.2)	176.6	86.8
Unit value.....	\$1,222	\$966	\$1,037	\$890	\$1,306	(15.2)	(20.9)	7.3	46.6
Ending inventory quantity.....	---	---	34,604	18,876	---	fn2	fn2	fn2	(100.0)
<b>China:</b>									
Quantity.....	52,301	20,922	34,938	19,965	9,789	(33.2)	(60.0)	67.0	(51.0)
Value.....	40,494	13,866	29,447	15,064	11,735	(27.3)	(65.8)	112.4	(22.1)
Unit value.....	\$774	\$663	\$843	\$755	\$1,199	8.9	(14.4)	27.2	58.9
Ending inventory quantity.....	11,439	4,912	1,576	1,939	620	(86.2)	(57.1)	(67.9)	(68.0)
<b>Greece:</b>									
Quantity.....	201,344	90,802	13,854	2,097	101,607	(93.1)	(54.9)	(84.7)	4,744.3
Value.....	208,570	74,072	11,420	601	88,769	(94.5)	(64.5)	(84.6)	14,661.0
Unit value.....	\$1,036	\$816	\$824	\$287	\$874	(20.4)	(21.3)	1.0	204.7
Ending inventory quantity.....	1,320	1,320	246	550	---	(81.4)	---	(81.4)	(100.0)
<b>India:</b>									
Quantity.....	51,083	32,719	392,096	200,292	1,641	667.6	(35.9)	1,098.4	(99.2)
Value.....	52,059	26,689	295,315	156,497	1,414	467.3	(48.7)	1,006.5	(99.1)
Unit value.....	\$1,019	\$816	\$753	\$781	\$862	(26.1)	(20.0)	(7.7)	10.3
Ending inventory quantity.....	364	364	655	232	438	79.9	---	79.9	88.8
<b>Korea:</b>									
Quantity.....	149,012	129,472	161,636	64,692	98,813	8.5	(13.1)	24.8	52.7
Value.....	130,900	114,508	134,237	46,557	87,249	2.5	(12.5)	17.2	87.4
Unit value.....	\$878	\$884	\$830	\$720	\$883	(5.5)	0.7	(6.1)	22.7
Ending inventory quantity.....	2,724	5,502	3,638	4,106	4,106	(5.8)	102.0	(53.3)	12.9
<b>Turkey subject:</b>									
Quantity.....	127,166	119,568	62,490	36,953	4,985	(50.9)	(6.0)	(47.7)	(86.5)
Value.....	155,681	130,439	61,235	36,547	5,523	(60.7)	(16.2)	(53.1)	(84.9)
Unit value.....	\$1,224	\$1,091	\$980	\$989	\$1,108	(20.0)	(10.9)	(10.2)	12.0
Ending inventory quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
<b>Subject sources:</b>									
Quantity.....	918,975	461,022	839,164	402,653	317,045	(8.7)	(49.8)	82.0	(21.3)
Value.....	1,000,803	424,832	712,180	325,289	325,521	(28.8)	(57.6)	67.6	0.1
Unit value.....	\$1,089	\$922	\$849	\$808	\$1,027	(22.1)	(15.4)	(7.9)	27.1
Ending inventory quantity.....	15,847	12,098	39,648	25,235	5,164	150.2	(23.7)	227.7	(79.5)
<b>Subject sources less Greece and India:</b>									
Quantity.....	666,547	337,500	433,214	200,264	213,797	(35.0)	(49.4)	28.4	6.8
Value.....	740,174	324,071	405,445	168,190	235,338	(45.2)	(56.2)	25.1	39.9
Unit value.....	\$1,110	\$960	\$936	\$840	\$1,101	(15.7)	(13.5)	(2.5)	31.1
Ending inventory quantity.....	14,163	10,414	38,747	24,453	4,726	173.6	(26.5)	272.1	(80.7)
<b>Nonsubject sources:</b>									
Quantity.....	430,621	283,569	222,429	84,213	118,007	(48.3)	(34.1)	(21.6)	40.1
Value.....	451,198	242,596	196,261	66,705	123,660	(56.5)	(46.2)	(19.1)	85.4
Unit value.....	\$1,048	\$856	\$882	\$792	\$1,048	(15.8)	(18.4)	3.1	32.3
Ending inventory quantity.....	75,734	38,546	30,247	23,536	10,235	(60.1)	(49.1)	(21.5)	(56.5)
<b>Nonsubject sources plus Greece and India:</b>									
Quantity.....	683,049	407,091	628,380	286,603	221,255	(8.0)	(40.4)	54.4	(22.8)
Value.....	711,827	343,357	502,996	223,804	213,843	(29.3)	(51.8)	46.5	(4.5)
Unit value.....	\$1,042	\$843	\$800	\$781	\$966	(23.2)	(19.1)	(5.1)	23.8
Ending inventory quantity.....	77,418	40,230	31,148	24,318	10,673	(59.8)	(48.0)	(22.6)	(56.1)
<b>All import sources:</b>									
Quantity.....	1,349,596	744,591	1,061,594	486,866	435,052	(21.3)	(44.8)	42.6	(10.6)
Value.....	1,452,001	667,428	908,441	391,994	449,181	(37.4)	(54.0)	36.1	14.6
Unit value.....	\$1,076	\$896	\$856	\$805	\$1,032	(20.5)	(16.7)	(4.5)	28.2
Ending inventory quantity.....	91,581	50,644	69,895	48,771	15,399	(23.7)	(44.7)	38.0	(68.4)

Table continued on next page.

Table C-6--Continued

LDW carbon and other alloy steel pipe: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018

(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		2017	January to June		Comparison years			Jan-Jun 2017-18
	2015	2016		2017	2018	2015-17	2015-16	2016-17	
U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs..... per 1,000 hours.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and proprietary \*\*\* records (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

## Related party exclusion: Single like product

Table C-7

LDWP: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018

(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			
	2015	Calendar year 2016	2017	January to June 2017	2018	2015-17	Comparison years 2015-16	2016-17	Jan-Jun 2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	3,133,643	2,271,947	2,337,583	1,057,082	1,013,229	(25.4)	(27.5)	2.9	(4.1)
Producers' share (fn1)									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All U.S. producers.....	56.9	67.0	54.6	53.9	56.9	(2.4)	10.1	(12.5)	3.0
Importers' share (fn1):									
Canada.....	10.8	3.0	7.5	7.4	9.9	(3.3)	(7.8)	4.5	2.5
China.....	1.7	0.9	1.5	1.9	1.0	(0.2)	(0.7)	0.6	(0.9)
Greece.....	6.4	4.0	0.6	0.2	10.0	(5.8)	(2.4)	(3.4)	9.8
India.....	1.6	1.4	16.8	18.9	0.2	15.1	(0.2)	15.3	(18.8)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.1	5.3	2.7	3.5	0.5	(1.4)	1.2	(2.6)	(3.0)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	(0.0)	(0.0)	---
All other sources.....	10.5	9.9	7.7	6.3	9.4	(2.8)	(0.6)	(2.2)	3.2
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	43.1	33.0	45.4	46.1	43.1	2.4	(10.1)	12.5	(3.0)
<b>U.S. consumption value:</b>									
Amount.....	3,488,860	2,234,580	2,248,792	977,836	1,136,383	(35.5)	(36.0)	0.6	16.2
Producers' share (fn1)									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All U.S. producers.....	58.2	69.1	59.4	59.7	59.8	1.2	10.9	(9.7)	0.1
Importers' share (fn1):									
Canada.....	11.9	3.0	8.0	7.2	11.5	(3.8)	(8.9)	5.1	4.4
China.....	1.2	0.6	1.4	1.7	1.1	0.3	(0.5)	0.8	(0.6)
Greece.....	6.0	3.3	0.5	0.1	7.8	(5.5)	(2.7)	(2.8)	7.8
India.....	1.5	1.2	13.1	16.0	0.2	11.6	(0.3)	11.9	(15.8)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.5	5.8	2.7	3.7	0.5	(1.8)	1.3	(3.1)	(3.3)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	(0.0)	(0.0)	---
All other sources.....	10.9	9.6	7.6	5.8	9.8	(3.3)	(1.3)	(2.0)	4.0
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	41.8	30.9	40.6	40.3	40.2	(1.2)	(10.9)	9.7	(0.1)
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	338,166	67,666	174,207	78,663	100,254	(48.5)	(80.0)	157.5	27.4
Value.....	413,856	66,067	180,984	70,109	131,217	(56.3)	(84.0)	173.9	87.2
Unit value.....	\$1,224	\$976	\$1,039	\$891	\$1,309	(15.1)	(20.2)	6.4	46.9
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	52,301	20,991	35,339	20,334	9,967	(32.4)	(59.9)	68.4	(51.0)
Value.....	40,494	14,119	31,782	17,077	12,873	(21.5)	(65.1)	125.1	(24.6)
Unit value.....	\$774	\$673	\$899	\$840	\$1,292	16.2	(13.1)	33.7	53.8
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	201,344	90,802	13,854	2,097	101,607	(93.1)	(54.9)	(84.7)	4,744.3
Value.....	208,570	74,072	11,420	601	88,769	(94.5)	(64.5)	(84.6)	14,661.0
Unit value.....	\$1,036	\$816	\$824	\$287	\$874	(20.4)	(21.3)	1.0	204.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	51,091	32,719	392,135	200,292	1,887	667.5	(36.0)	1,098.5	(99.1)
Value.....	52,095	26,689	295,423	156,497	2,207	467.1	(48.8)	1,006.9	(98.6)
Unit value.....	\$1,020	\$816	\$753	\$781	\$1,169	(26.1)	(20.0)	(7.6)	49.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea subject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey subject:</b>									
Quantity.....	127,233	119,570	62,490	36,953	4,985	(50.9)	(6.0)	(47.7)	(86.5)
Value.....	156,625	130,450	61,235	36,547	5,523	(60.9)	(16.7)	(53.1)	(84.9)
Unit value.....	\$1,231	\$1,091	\$980	\$989	\$1,108	(20.4)	(11.4)	(10.2)	12.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less Greece:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-7--Continued

LDWP: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018

(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		2017	January to June		Comparison years			Jan-Jun 2017-18
	2015	2016		2017	2018	2015-17	2015-16	2016-17	
Korea nonsubject:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity.....	328,727	224,749	180,465	66,114	95,446	(45.1)	(31.6)	(19.7)	44.4
Value.....	379,887	214,552	170,122	56,896	111,427	(55.2)	(43.5)	(20.7)	95.8
Unit value.....	\$1,156	\$955	\$943	\$861	\$1,167	(18.4)	(17.4)	(1.3)	35.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	1,350,322	748,879	1,062,270	487,282	436,473	(21.3)	(44.5)	41.8	(10.4)
Value.....	1,458,943	690,154	912,361	394,420	456,725	(37.5)	(52.7)	32.2	15.8
Unit value.....	\$1,080	\$922	\$859	\$809	\$1,046	(20.5)	(14.7)	(6.8)	29.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Included U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and proprietary \*\*\* records (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

## Related party exclusion: Split like product: LDW line pipe

Table ALT C-2

LDW line pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	2,870,827	1,999,775	2,025,788	913,317	889,026	(29.4)	(30.3)	1.3	(2.7)
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	55.1	66.3	52.4	51.2	55.5	(2.7)	11.2	(13.8)	4.2
<b>Importers' share (fn1):</b>									
Canada.....	11.3	2.9	8.0	7.9	10.9	(3.3)	(8.4)	5.1	3.0
China.....	1.2	0.6	0.7	1.1	0.4	(0.5)	(0.6)	0.1	(0.6)
Greece.....	7.0	4.5	0.7	0.2	11.4	(6.3)	(2.5)	(3.9)	11.2
India.....	1.8	1.6	19.3	21.9	0.2	17.6	(0.1)	17.7	(21.8)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.4	5.8	2.3	3.4	0.1	(2.1)	1.4	(3.6)	(3.3)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less China and Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	(0.0)	(0.0)	---
All other sources.....	10.8	9.8	7.6	6.2	9.3	(3.2)	(1.0)	(2.2)	3.1
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus China and Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	44.9	33.7	47.6	48.8	44.5	2.7	(11.2)	13.8	(4.2)
<b>U.S. consumption value:</b>									
Amount.....	3,198,936	2,004,876	1,955,243	845,210	989,128	(38.9)	(37.3)	(2.5)	17.0
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	55.9	67.8	56.9	56.7	57.6	1.0	11.9	(10.9)	1.0
<b>Importers' share (fn1):</b>									
Canada.....	12.6	2.9	8.8	7.8	13.0	(3.9)	(9.7)	5.8	5.2
China.....	0.8	0.4	0.6	0.8	0.3	(0.2)	(0.4)	0.2	(0.4)
Greece.....	6.5	3.7	0.6	0.1	9.0	(5.9)	(2.8)	(3.1)	8.9
India.....	1.6	1.3	15.1	18.5	0.1	13.5	(0.3)	13.8	(18.4)
Korea subject.....	***	***	***	***	***	***	***	***	***
Turkey subject.....	4.8	6.4	2.3	3.7	0.2	(2.5)	1.5	(4.0)	(3.5)
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less China and Greece.....	***	***	***	***	***	***	***	***	***
Korea nonsubject.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject.....	0.0	0.0	---	---	---	(0.0)	0.0	(0.0)	---
All other sources.....	11.2	9.3	7.5	5.8	9.2	(3.7)	(1.9)	(1.8)	3.3
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus China and Greece.....	***	***	***	***	***	***	***	***	***
All import sources.....	44.1	32.2	43.1	43.3	42.4	(1.0)	(11.9)	10.9	(1.0)
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	324,081	57,112	161,169	71,846	96,783	(50.3)	(82.4)	182.2	34.7
Value.....	403,449	58,762	171,292	65,627	128,425	(57.5)	(85.4)	191.5	95.7
Unit value.....	\$1,245	\$1,029	\$1,063	\$913	\$1,327	(14.6)	(17.4)	3.3	45.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	34,013	12,263	14,442	9,704	3,829	(57.5)	(63.9)	17.8	(60.5)
Value.....	25,977	7,595	11,940	6,658	3,424	(54.0)	(70.8)	57.2	(48.6)
Unit value.....	\$764	\$619	\$827	\$686	\$894	8.3	(18.9)	33.5	30.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	201,344	90,802	13,811	2,054	101,607	(93.1)	(54.9)	(84.8)	4,847.0
Value.....	208,570	74,072	11,377	559	88,769	(94.5)	(64.5)	(84.6)	15,780.4
Unit value.....	\$1,036	\$816	\$824	\$272	\$874	(20.5)	(21.3)	1.0	221.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	51,072	32,693	391,976	200,292	1,492	667.5	(36.0)	1,099.0	(99.3)
Value.....	52,040	26,663	295,220	156,497	1,294	467.3	(48.8)	1,007.2	(99.2)
Unit value.....	\$1,019	\$816	\$753	\$781	\$868	(26.1)	(20.0)	(7.7)	11.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea subject:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey subject:</b>									
Quantity.....	125,951	116,311	45,720	31,201	874	(63.7)	(7.7)	(60.7)	(97.2)
Value.....	154,816	127,760	45,787	30,983	1,850	(70.4)	(17.5)	(64.2)	(94.0)
Unit value.....	\$1,229	\$1,098	\$1,001	\$993	\$2,117	(18.5)	(10.6)	(8.8)	113.2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less China and Greece:</b>									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table ALT C-2--Continued

LDW line pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
Korea nonsubject:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Turkey nonsubject:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity.....	310,478	196,583	153,883	56,607	82,360	(50.4)	(36.7)	(21.7)	45.5
Value.....	358,566	186,232	146,169	49,217	90,557	(59.2)	(48.1)	(21.5)	84.0
Unit value.....	\$1,155	\$947	\$950	\$869	\$1,100	(17.8)	(18.0)	0.3	26.5
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus China and Greece:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	1,289,161	674,705	963,758	445,334	395,753	(25.2)	(47.7)	42.8	(11.1)
Value.....	1,410,835	645,289	843,181	366,233	419,028	(40.2)	(54.3)	30.7	14.4
Unit value.....	\$1,094	\$956	\$875	\$822	\$1,059	(20.1)	(12.6)	(8.5)	28.8
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Included U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and proprietary \*\*\* records (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000, accessed September 19, 2018

## Related party exclusion: Split like product: LDW structural pipe

Table ALT C-3

**LDW structural pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018**

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	262,816	272,172	311,796	143,764	124,203	18.6	3.6	14.6	(13.6)
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	76.7	72.7	68.4	70.8	67.2	(8.3)	(4.0)	(4.3)	(3.6)
<b>Importers' share (fn1):</b>									
Canada.....	5.4	3.9	4.2	4.7	2.8	(1.2)	(1.5)	0.3	(1.9)
China.....	7.0	3.2	6.7	7.4	4.9	(0.3)	(3.8)	3.5	(2.5)
Greece.....	---	---	0.0	0.0	---	0.0	---	0.0	(0.0)
India.....	0.0	0.0	0.1	---	0.3	0.0	0.0	0.0	0.3
Korea.....	3.5	8.6	6.7	6.4	10.9	3.2	5.1	(1.9)	4.5
Turkey.....	0.5	1.2	5.4	4.0	3.3	4.9	0.7	4.2	(0.7)
Subject sources.....	16.3	16.9	23.1	22.6	22.2	6.7	0.6	6.2	(0.3)
Subject sources less India and Greece.....	16.3	16.9	23.0	22.5	21.9	6.7	0.6	6.1	(0.6)
Nonsubject sources.....	6.9	10.3	8.5	6.6	10.5	1.6	3.4	(1.8)	3.9
Nonsubject sources plus India and Greece.....	7.0	10.4	8.6	6.6	10.9	1.6	3.4	(1.8)	4.2
All import sources.....	23.3	27.3	31.6	29.2	32.8	8.3	4.0	4.3	3.6
<b>U.S. consumption value:</b>									
Amount.....	301,444	263,980	309,502	139,023	159,799	2.7	(12.4)	17.2	14.9
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	80.2	70.0	72.5	75.1	68.6	(7.7)	(10.2)	2.5	(6.6)
<b>Importers' share (fn1):</b>									
Canada.....	3.5	2.8	3.1	3.2	1.7	(0.3)	(0.7)	0.4	(1.5)
China.....	4.8	2.5	6.4	7.5	5.9	1.6	(2.3)	3.9	(1.6)
Greece.....	---	---	0.0	0.0	---	0.0	---	0.0	(0.0)
India.....	0.0	0.0	0.1	---	0.6	0.0	(0.0)	0.1	0.6
Korea.....	3.6	12.9	5.2	4.6	7.9	1.5	9.2	(7.7)	3.2
Turkey.....	0.8	1.2	5.0	4.0	2.3	4.2	0.4	3.8	(1.7)
Subject sources.....	12.7	19.3	19.8	19.4	18.4	7.1	6.5	0.5	(1.0)
Subject sources less India and Greece.....	12.7	19.2	19.7	19.3	17.8	7.0	6.6	0.4	(1.5)
Nonsubject sources.....	7.1	10.7	7.7	5.5	13.1	0.7	3.7	(3.0)	7.5
Nonsubject sources plus India and Greece.....	7.1	10.7	7.8	5.6	13.6	0.7	3.6	(2.9)	8.1
All import sources.....	19.8	30.0	27.5	24.9	31.4	7.7	10.2	(2.5)	6.6
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	14,085	10,554	13,038	6,817	3,471	(7.4)	(25.1)	23.5	(49.1)
Value.....	10,407	7,304	9,692	4,482	2,792	(6.9)	(29.8)	32.7	(37.7)
Unit value.....	\$739	\$692	\$743	\$657	\$804	0.6	(6.3)	7.4	22.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	18,288	8,728	20,897	10,629	6,137	14.3	(52.3)	139.4	(42.3)
Value.....	14,517	6,525	19,842	10,419	9,448	36.7	(55.1)	204.1	(9.3)
Unit value.....	\$794	\$748	\$950	\$980	\$1,539	19.6	(5.8)	27.0	57.1
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	---	---	44	44	---	fn2	fn2	fn2	(100.0)
Value.....	---	---	42	42	---	fn2	fn2	fn2	(100.0)
Unit value.....	---	---	\$974	\$974	---	fn2	fn2	fn2	(100.0)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	19	26	159	---	395	740.1	37.7	510.1	fn2
Value.....	54	26	202	---	912	273.7	(52.3)	683.8	fn2
Unit value.....	\$2,854	\$988	\$1,269	---	\$2,310	(55.5)	(65.4)	28.5	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea:</b>									
Quantity.....	9,237	23,441	21,023	9,198	13,519	127.6	153.8	(10.3)	47.0
Value.....	10,958	33,924	15,954	6,397	12,545	45.6	209.6	(53.0)	96.1
Unit value.....	\$1,186	\$1,447	\$759	\$695	\$928	(36.0)	22.0	(47.6)	33.4
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey:</b>									
Quantity.....	1,282	3,259	16,770	5,752	4,111	1,207.9	154.2	414.6	(28.5)
Value.....	2,369	3,042	15,447	5,565	3,674	552.0	28.4	407.9	(34.0)
Unit value.....	\$1,848	\$933	\$921	\$968	\$894	(50.1)	(49.5)	(1.3)	(7.6)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	42,912	46,008	71,931	32,440	27,634	67.6	7.2	56.3	(14.8)
Value.....	38,306	50,821	61,180	26,904	29,371	59.7	32.7	20.4	9.2
Unit value.....	\$893	\$1,105	\$851	\$829	\$1,063	(4.7)	23.7	(23.0)	28.2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less India and Greece:</b>									
Quantity.....	42,893	45,982	71,728	32,396	27,239	67.2	7.2	56.0	(15.9)
Value.....	38,252	50,795	60,935	26,862	28,459	59.3	32.8	20.0	5.9
Unit value.....	\$892	\$1,105	\$850	\$829	\$1,045	(4.7)	23.9	(23.1)	26.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources:</b>									
Quantity.....	18,250	28,166	26,581	9,508	13,086	45.7	54.3	(5.6)	37.6
Value.....	21,321	28,321	23,953	7,679	20,870	12.3	32.8	(15.4)	171.8
Unit value.....	\$1,168	\$1,005	\$901	\$808	\$1,595	(22.9)	(13.9)	(10.4)	97.5
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table ALT C-3--Continued

LDW structural pipe: Summary data concerning the U.S. market excluding one U.S. producer\*\*\*, 2015-17, January to June 2017, and January to June 2018

(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		2017	January to June		Comparison years			Jan-Jun 2017-18
	2015	2016		2017	2018	2015-17	2015-16	2016-17	
Nonsubject sources plus India and Greece:									
Quantity.....	18,269	28,192	26,784	9,551	13,481	46.6	54.3	(5.0)	41.1
Value.....	21,375	28,346	24,198	7,722	21,783	13.2	32.6	(14.6)	182.1
Unit value.....	\$1,170	\$1,005	\$903	\$808	\$1,616	(22.8)	(14.1)	(10.1)	99.9
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	61,161	74,174	98,513	41,947	40,720	61.1	21.3	32.8	(2.9)
Value.....	59,628	79,141	85,133	34,584	50,241	42.8	32.7	7.6	45.3
Unit value.....	\$975	\$1,067	\$864	\$824	\$1,234	(11.4)	9.4	(19.0)	49.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Included U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.



## Related Party Exclusion: Split like product: LDW stainless steel structural pipe

Table ALT C-4

LDW stainless steel structural pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and Turkey.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and Turkey.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and Turkey.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and Turkey.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	98	128	58	10	44	(41.0)	30.1	(54.7)	338.7
Value.....	756	810	458	86	387	(39.4)	7.1	(43.4)	349.4
Unit value.....	\$7,695	\$6,330	\$7,904	\$8,662	\$8,874	2.7	(17.7)	24.9	2.4
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	---	70	401	369	177	fn2	fn2	477.1	(51.9)
Value.....	---	253	2,335	2,013	1,137	fn2	fn2	823.6	(43.5)
Unit value.....	---	\$3,636	\$5,820	\$5,461	\$6,415	fn2	fn2	60.0	17.5
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	---	---	---	---	---	fn2	fn2	fn2	fn2
Value.....	---	---	---	---	---	fn2	fn2	fn2	fn2
Unit value.....	---	---	---	---	---	fn2	fn2	fn2	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	7	---	39	---	246	442.0	(100.0)	fn2	fn2
Value.....	36	---	107	---	793	200.6	(100.0)	fn2	fn2
Unit value.....	\$4,930	---	\$2,734	---	\$3,225	(44.5)	(100.0)	fn2	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea:</b>									
Quantity.....	435	2,978	30	---	1	(93.1)	585.2	(99.0)	fn2
Value.....	4,075	17,680	107	---	7	(97.4)	333.8	(99.4)	fn2
Unit value.....	\$9,378	\$5,938	\$3,591	---	\$4,603	(61.7)	(36.7)	(39.5)	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey:</b>									
Quantity.....	67	2	---	---	---	(100.0)	(97.6)	(100.0)	fn2
Value.....	944	10	---	---	---	(100.0)	(98.9)	(100.0)	fn2
Unit value.....	\$14,152	\$6,459	---	---	---	(100.0)	(54.4)	(100.0)	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	607	3,177	528	379	468	(13.0)	423.5	(83.4)	23.6
Value.....	5,812	18,753	3,007	2,099	2,324	(48.3)	222.7	(84.0)	10.7
Unit value.....	\$9,578	\$5,903	\$5,694	\$5,545	\$4,964	(40.6)	(38.4)	(3.6)	(10.5)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less Greece and Turkey:</b>									
Quantity.....	540	3,175	528	379	468	(2.2)	487.9	(83.4)	23.6
Value.....	4,867	18,743	3,007	2,099	2,324	(38.2)	285.1	(84.0)	10.7
Unit value.....	\$9,012	\$5,903	\$5,694	\$5,545	\$4,964	(36.8)	(34.5)	(3.5)	(10.5)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources:</b>									
Quantity.....	120	1,111	148	37	952	24.0	829.5	(86.7)	2,483.3
Value.....	1,131	3,973	912	327	5,220	(19.3)	251.3	(77.0)	1,498.7
Unit value.....	\$9,458	\$3,574	\$6,151	\$8,857	\$5,481	(35.0)	(62.2)	72.1	(38.1)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table ALT C-4--Continued

LDW stainless steel structural pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
Nonsubject sources plus Greece and Turkey:									
Quantity.....	186	1,113	148	37	952	(20.4)	497.5	(86.7)	2,483.3
Value.....	2,075	3,983	912	327	5,220	(56.0)	91.9	(77.1)	1,498.7
Unit value.....	\$11,139	\$3,578	\$6,151	\$8,857	\$5,481	(44.8)	(67.9)	71.9	(38.1)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	726	4,288	677	415	1,420	(6.9)	490.4	(84.2)	241.9
Value.....	6,943	22,726	3,920	2,426	7,544	(43.5)	227.3	(82.8)	211.0
Unit value.....	\$9,558	\$5,300	\$5,794	\$5,839	\$5,311	(39.4)	(44.6)	9.3	(9.0)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Included U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
 fn2.--Undefined.  
 fn3.--Not gathered.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting number 7305.31.6010, accessed September 19, 2018.

## Related Party Exclusion: Split like product: LDW carbon and other alloy steel structural pipe

Table ALT C-5

**LDW carbon and other alloy steel structural pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018**  
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	13,987	10,426	12,980	6,807	3,428	(7.2)	(25.5)	24.5	(49.6)
Value.....	9,651	6,495	9,234	4,396	2,405	(4.3)	(32.7)	42.2	(45.3)
Unit value.....	\$690	\$623	\$711	\$646	\$702	3.1	(9.7)	14.2	8.6
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	18,288	8,659	20,496	10,261	5,960	12.1	(52.7)	136.7	(41.9)
Value.....	14,517	6,272	17,507	8,405	8,311	20.6	(56.8)	179.1	(1.1)
Unit value.....	\$794	\$724	\$854	\$819	\$1,394	7.6	(8.8)	17.9	70.2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	---	---	44	44	---	fn2	fn2	fn2	(100.0)
Value.....	---	---	42	42	---	fn2	fn2	fn2	(100.0)
Unit value.....	---	---	\$974	\$974	---	fn2	fn2	fn2	(100.0)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	12	26	120	---	149	923.4	122.3	360.3	fn2
Value.....	19	26	95	---	120	414.0	39.2	269.3	fn2
Unit value.....	\$1,578	\$988	\$793	---	\$802	(49.8)	(37.4)	(19.8)	fn2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea:</b>									
Quantity.....	8,803	20,463	20,993	9,198	13,518	138.5	132.5	2.6	47.0
Value.....	6,883	16,244	15,846	6,397	12,538	130.2	136.0	(2.4)	96.0
Unit value.....	\$782	\$794	\$755	\$695	\$927	(3.5)	1.5	(4.9)	33.4
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey:</b>									
Quantity.....	1,216	3,257	16,770	5,752	4,111	1,279.7	168.0	414.8	(28.5)
Value.....	1,425	3,031	15,447	5,565	3,674	984.1	112.7	409.6	(34.0)
Unit value.....	\$1,172	\$931	\$921	\$968	\$894	(21.4)	(20.6)	(1.0)	(7.6)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	42,305	42,832	71,403	32,061	27,166	68.8	1.2	66.7	(15.3)
Value.....	32,495	32,068	58,172	24,805	27,047	79.0	(1.3)	81.4	9.0
Unit value.....	\$768	\$749	\$815	\$774	\$996	6.1	(2.5)	8.8	28.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less Greece and India:</b>									
Quantity.....	42,293	42,806	71,239	32,018	27,017	68.4	1.2	66.4	(15.6)
Value.....	32,476	32,042	58,035	24,763	26,928	78.7	(1.3)	81.1	8.7
Unit value.....	\$768	\$749	\$815	\$773	\$997	6.1	(2.5)	8.8	28.9
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources:</b>									
Quantity.....	18,130	27,054	26,433	9,471	12,134	45.8	49.2	(2.3)	28.1
Value.....	20,190	24,348	23,041	7,353	15,650	14.1	20.6	(5.4)	112.8
Unit value.....	\$1,114	\$900	\$872	\$776	\$1,290	(21.7)	(19.2)	(3.1)	66.1
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table ALT C-5--Continued

LDW carbon and other alloy steel structural pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018  
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
Nonsubject sources plus Greece and India:									
Quantity.....	18,142	27,080	26,597	9,514	12,283	46.6	49.3	(1.8)	29.1
Value.....	20,209	24,374	23,179	7,395	15,770	14.7	20.6	(4.9)	113.2
Unit value.....	\$1,114	\$900	\$871	\$777	\$1,284	(21.8)	(19.2)	(3.2)	65.2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	60,435	69,886	97,836	41,532	39,299	61.9	15.6	40.0	(5.4)
Value.....	52,685	56,416	81,213	32,158	42,697	54.1	7.1	44.0	32.8
Unit value.....	\$872	\$807	\$830	\$774	\$1,086	(4.8)	(7.4)	2.8	40.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Included U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Related party exclusion: Split like product: LDW carbon and other alloy steel pipe**

Table ALT C-6

**LDW carbon and other alloy steel pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018**

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent—exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Comparison years			Jan-Jun
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
<b>U.S. consumption quantity:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. consumption value:</b>									
Amount.....	***	***	***	***	***	***	***	***	***
<b>Producers' share (fn1):</b>									
Included producers.....	***	***	***	***	***	***	***	***	***
Excluded producers.....	***	***	***	***	***	***	***	***	***
All producers.....	***	***	***	***	***	***	***	***	***
<b>Importers' share (fn1):</b>									
Canada.....	***	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***	***
Greece.....	***	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Turkey.....	***	***	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***	***	***
Subject sources less Greece and India.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources plus Greece and India.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
<b>U.S. imports from:</b>									
<b>Canada:</b>									
Quantity.....	338,068	67,538	174,149	78,654	100,211	(48.5)	(80.0)	157.9	27.4
Value.....	413,100	65,257	180,526	70,023	130,830	(56.3)	(84.2)	176.6	86.8
Unit value.....	\$1,222	\$966	\$1,037	\$890	\$1,306	(15.2)	(20.9)	7.3	46.6
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>China:</b>									
Quantity.....	52,301	20,922	34,938	19,965	9,789	(33.2)	(60.0)	67.0	(51.0)
Value.....	40,494	13,866	29,447	15,064	11,735	(27.3)	(65.8)	112.4	(22.1)
Unit value.....	\$774	\$663	\$843	\$755	\$1,199	8.9	(14.4)	27.2	58.9
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Greece:</b>									
Quantity.....	201,344	90,802	13,854	2,097	101,607	(93.1)	(54.9)	(84.7)	4,744.3
Value.....	208,570	74,072	11,420	601	88,769	(94.5)	(64.5)	(84.6)	14,661.0
Unit value.....	\$1,036	\$816	\$824	\$287	\$874	(20.4)	(21.3)	1.0	204.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity.....	51,083	32,719	392,096	200,292	1,641	667.6	(35.9)	1,098.4	(99.2)
Value.....	52,059	26,689	295,315	156,497	1,414	467.3	(48.7)	1,006.5	(99.1)
Unit value.....	\$1,019	\$816	\$753	\$781	\$862	(26.1)	(20.0)	(7.7)	10.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Korea:</b>									
Quantity.....	149,012	129,472	161,636	64,692	98,813	8.5	(13.1)	24.8	52.7
Value.....	130,900	114,508	134,237	46,557	87,249	2.5	(12.5)	17.2	87.4
Unit value.....	\$878	\$884	\$830	\$720	\$883	(5.5)	0.7	(6.1)	22.7
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Turkey subject:</b>									
Quantity.....	127,166	119,568	62,490	36,953	4,985	(50.9)	(6.0)	(47.7)	(86.5)
Value.....	155,681	130,439	61,235	36,547	5,523	(60.7)	(16.2)	(53.1)	(84.9)
Unit value.....	\$1,224	\$1,091	\$980	\$989	\$1,108	(20.0)	(10.9)	(10.2)	12.0
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources:</b>									
Quantity.....	918,975	461,022	839,164	402,653	317,045	(8.7)	(49.8)	82.0	(21.3)
Value.....	1,000,803	424,832	712,180	325,289	325,521	(28.8)	(57.6)	67.6	0.1
Unit value.....	\$1,089	\$922	\$849	\$808	\$1,027	(22.1)	(15.4)	(7.9)	27.1
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Subject sources less Greece and India:</b>									
Quantity.....	666,547	337,500	433,214	200,264	213,797	(35.0)	(49.4)	28.4	6.8
Value.....	740,174	324,071	405,445	168,190	235,338	(45.2)	(56.2)	25.1	39.9
Unit value.....	\$1,110	\$960	\$936	\$840	\$1,101	(15.7)	(13.5)	(2.5)	31.1
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
<b>Nonsubject sources:</b>									
Quantity.....	430,621	283,569	222,429	84,213	118,007	(48.3)	(34.1)	(21.6)	40.1
Value.....	451,198	242,596	196,261	66,705	123,660	(56.5)	(46.2)	(19.1)	85.4
Unit value.....	\$1,048	\$856	\$882	\$792	\$1,048	(15.8)	(18.4)	3.1	32.3
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table ALT C-6--Continued

LDW carbon and other alloy steel pipe: Summary data concerning the U.S. market excluding one U.S. producer \*\*\*, 2015-17, January to June 2017, and January to June 2018

(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		2017	January to June		Comparison years			Jan-Jun 2017-18
	2015	2016		2017	2018	2015-17	2015-16	2016-17	
Nonsubject sources plus Greece and India:									
Quantity.....	683,049	407,091	628,380	286,603	221,255	(8.0)	(40.4)	54.4	(22.8)
Value.....	711,827	343,357	502,996	223,804	213,843	(29.3)	(51.8)	46.5	(4.5)
Unit value.....	\$1,042	\$843	\$800	\$781	\$966	(23.2)	(19.1)	(5.1)	23.8
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	1,349,596	744,591	1,061,594	486,866	435,052	(21.3)	(44.8)	42.6	(10.6)
Value.....	1,452,001	667,428	908,441	391,994	449,181	(37.4)	(54.0)	36.1	14.6
Unit value.....	\$1,076	\$896	\$856	\$805	\$1,032	(20.5)	(16.7)	(4.5)	28.2
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Included U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Channels of distribution (fn1):									
to Distributors.....	***	***	***	***	***	***	***	***	***
to Oil and gas end users.....	***	***	***	***	***	***	***	***	***
to Other end users.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.  
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics and proprietary \*\*\* records (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

## **APPENDIX D**

### **Domestic like product considerations: Negligibility**





In appendix D, tables D-1 through D-10 and figures D-1 through D-5 which present data on domestic like product considerations (negligibility) for U.S. imports in the rolling twelve month average period preceding the filing of the petition, January through December 2017. Tables D-11 and D-12 present data on LDW line and structural of U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2015-17, January to June 2017, and January to June 2018. Tables D-13 and D-14 present data on LDW line and structural pipe for U.S. imports by border of entry during 2017, and tables D-15 and D-16 present data on LDW line and structural pipe by arranged imports for July 2018 through June 2019. Tables D-17 and D-18 present data on LDW line and structural imports by month, while D-18a and D-18b present data on LDW stainless steel pipe and LDW structural non-stainless steel pipe, respectively, for January 2015 through September 2018. Table D-19 presents data on the summary of winning bids, by source and product type.

**Table D-1**  
**LDW line pipe: U.S. imports in the twelve month period preceding the filing of the petition, January through December 2017**

Item	January 2017 through December 2017			
	AD investigations		CVD investigations	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--				
Canada	161,169	18.7	NA	NA
China	14,442	1.7	14,442	1.5
Greece	13,811	1.6	NA	NA
India	391,976	45.4	391,976	40.7
Korea subject	83,134	9.6	***	***
Turkey subject	45,720	5.3	45,720	4.7
Subject sources	710,251	82.2	***	***
Korea nonsubject	---	---	***	***
All other sources	153,883	17.8	328,863	34.1
Nonsubject sources	153,883	17.8	***	***
All import sources	864,135	100.0	963,758	100.0

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

Source: Official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000, accessed September 19, 2018.

**Table D-2**

**LDW line pipe: U.S. imports from China, Greece, and all sources, rolling twelve month average by ending month, January 2016 through June 2018**

12 month period ending in	U.S. imports from China (short tons)	U.S. imports from Greece (short tons)	U.S. imports from all import sources AD denominator (short tons)	U.S. imports from all import sources CVD denominator (short tons)	China AD share (percent)	China CVD share (percent)	Greece share (percent)
2016.-- January	32,785	187,210	1,050,522	***	3.1	***	17.8
February	36,047	191,744	1,039,263	***	3.5	***	18.5
March	26,999	174,264	940,511	***	2.9	***	18.5
April	25,225	171,354	936,103	***	2.7	***	18.3
May	22,419	143,584	844,363	***	2.7	***	17.0
June	22,308	112,615	770,676	***	2.9	***	14.6
July	20,384	68,226	676,311	***	3.0	***	10.1
August	13,185	51,173	625,772	***	2.1	***	8.2
September	13,061	38,563	579,140	***	2.3	***	6.7
October	12,902	51,236	552,932	***	2.3	***	9.3
November	12,238	64,185	571,325	***	2.1	***	11.2
December	12,263	90,802	580,032	***	2.1	***	15.7
2017.-- January	14,954	84,734	541,039	***	2.8	***	15.7
February	13,438	80,200	568,905	***	2.4	***	14.1
March	13,107	79,836	636,751	***	2.1	***	12.5
April	13,145	64,519	597,306	***	2.2	***	10.8
May	14,448	64,519	655,241	***	2.2	***	9.8
June	14,234	57,745	663,648	***	2.1	***	8.7
July	12,791	54,293	690,356	***	1.9	***	7.9
August	12,694	54,293	728,280	***	1.7	***	7.5
September	13,780	54,293	821,761	***	1.7	***	6.6
October	13,126	41,621	874,282	***	1.5	***	4.8
November	13,451	40,426	881,900	***	1.5	***	4.6
December (negligibility period)	14,442	13,811	864,135	***	1.7	***	1.6
2018.-- January	11,979	26,248	875,908	***	1.4	***	3.0
February	11,254	39,500	851,681	***	1.3	***	4.6
March	10,995	57,998	806,642	***	1.4	***	7.2
April	9,689	81,554	834,414	***	1.2	***	9.8
May	8,315	113,363	809,263	***	1.0	***	14.0
June	8,567	113,363	781,386	***	1.1	***	14.5

Source: Official U.S. import statistics and \*\*\* using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000, accessed September 19, 2018.

**Figure D-1**  
**LDW line pipe: U.S. imports from China and from Greece as a share of total imports, twelve month moving periods, February 2015 through June 2018**

\* \* \* \* \*

**Table D-3**  
**LDW structural pipe: U.S. imports in the twelve month period preceding the filing of the petition, January through December 2017**

Item	January 2017 through December 2017			
	AD investigations		CVD investigations	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--				
Canada	13,038	13.2	NA	NA
China	20,897	21.2	20,897	21.2
Greece	44	0.0	NA	NA
India	159	0.2	159	0.2
Korea subject	21,023	21.3	21,023	21.3
Turkey subject	16,770	17.0	16,770	17.0
Subject sources	71,931	73.0	58,849	59.7
Korea nonsubject	---	---	---	---
All other sources	26,581	27.0	39,663	40.3
Nonsubject sources	26,581	27.0	39,663	40.3
All import sources	98,513	100.0	98,513	100.0

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

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-4**

**LDW structural pipe: U.S. imports from Greece, India, and all sources, rolling twelve month average by ending month, January 2016 through June 2018**

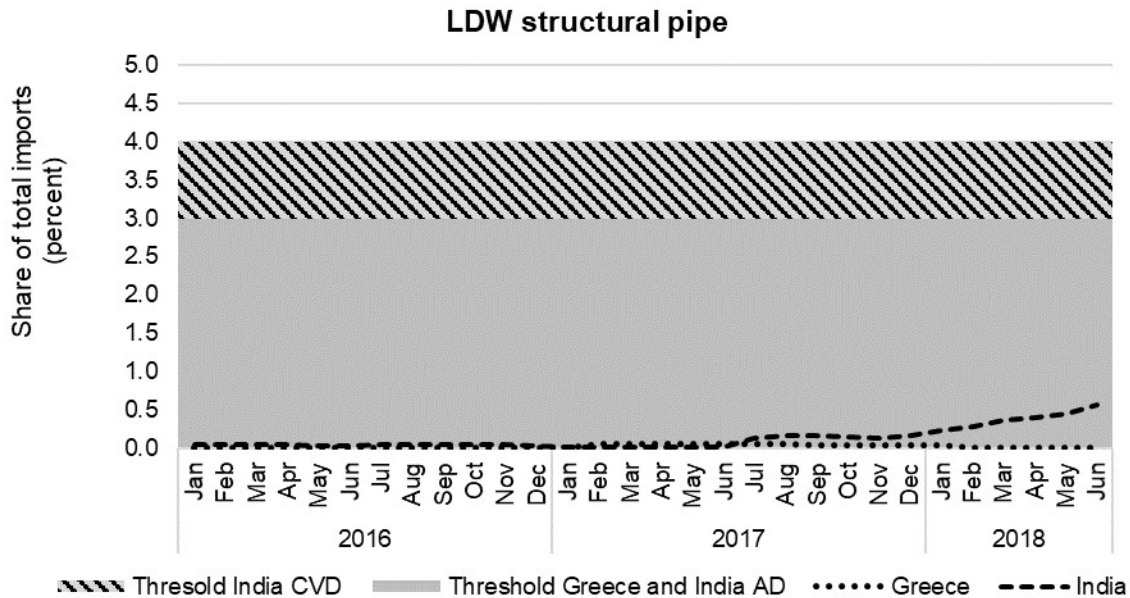
12 month period ending in	U.S. imports from Greece (short tons)	U.S. imports from India (short tons)	U.S. imports from all import sources (short tons)	Greece share (percent)	India share (percent)
2016.--					
January	0	32	60,275	0.0	0.1
February	0	32	59,957	0.0	0.1
March	0	32	63,841	0.0	0.1
April	0	32	73,752	0.0	0.0
May	0	30	77,199	0.0	0.0
June	0	30	75,994	0.0	0.0
July	0	30	70,491	0.0	0.0
August	0	30	69,975	0.0	0.0
September	0	30	69,951	0.0	0.0
October	0	35	71,804	0.0	0.0
November	0	35	73,096	0.0	0.0
December	0	26	74,174	0.0	0.0
2017.--					
January	0	5	73,772	0.0	0.0
February	44	5	78,641	0.1	0.0
March	44	5	74,513	0.1	0.0
April	44	5	68,645	0.1	0.0
May	44	5	70,523	0.1	0.0
June	44	5	71,611	0.1	0.0
July	44	100	78,244	0.1	0.1
August	44	137	83,418	0.1	0.2
September	44	145	91,912	0.0	0.2
October	44	139	95,051	0.0	0.1
November	44	139	100,049	0.0	0.1
December <sup>1</sup>	44	159	98,513	0.0	0.2
2018.--					
January	44	232	99,132	0.0	0.2
February	0	280	98,263	0.0	0.3
March	0	394	105,346	0.0	0.4
April	0	417	102,650	0.0	0.4
May	0	459	100,507	0.0	0.5
June	0	554	97,285	0.0	0.6

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

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Figure D-2**

**LDW structural pipe: U.S. imports from Greece and from India as a share of total imports, twelve month moving periods, January 2016 through June 2018**



Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-5**

**LDW stainless steel structural pipe: U.S. imports in the twelve month period preceding the filing of the petition, January 2017 through December 2017**

Item	January 2017 through December 2017			
	AD investigations		CVD investigations	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--				
Canada	58	8.6	NA	NA
China	401	59.3	401	59.3
Greece	---	---	NA	NA
India	39	5.8	39	5.8
Korea subject	30	4.4	30	4.4
Turkey subject	---	---	---	---
Subject sources	528	78.1	470	69.5
Korea nonsubject	---	---	---	---
All other sources	148	21.9	206	30.5
Nonsubject sources	148	21.9	206	30.5
All import sources	677	100.0	677	100.0

Source: Official U.S. import statistics using HTS statistical reporting number 7305.31.6010, accessed September 19, 2018.

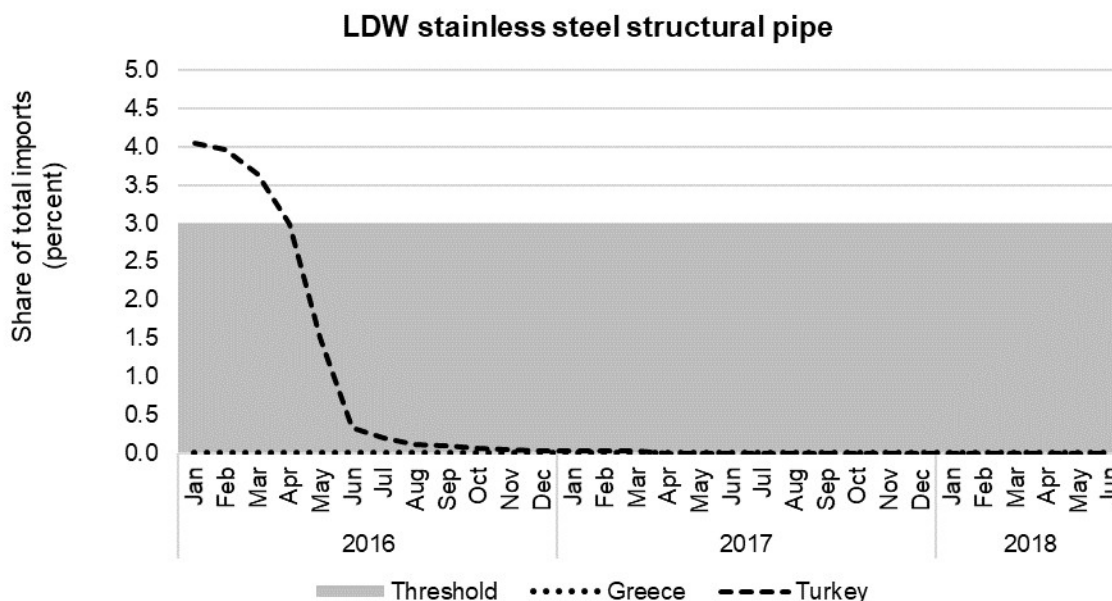
**Table D-6**

**LDW stainless steel structural pipe: U.S. imports from Greece, Turkey, and from all other sources, rolling twelve month average by ending month, January 2016 through June 2018**

<b>12 month period ending in</b>	<b>U.S. imports from Greece (short tons)</b>	<b>U.S. imports from Turkey (short tons)</b>	<b>U.S. imports from all import sources (short tons)</b>	<b>Greece share (percent)</b>	<b>Turkey share (percent)</b>
2016.--					
January	0	67	1,654	0.0	4.0
February	0	64	1,621	0.0	4.0
March	0	59	1,621	0.0	3.6
April	0	57	1,910	0.0	3.0
May	0	41	2,709	0.0	1.5
June	0	13	4,026	0.0	0.3
July	0	8	4,094	0.0	0.2
August	0	5	4,469	0.0	0.1
September	0	4	4,403	0.0	0.1
October	0	3	4,418	0.0	0.1
November	0	2	4,464	0.0	0.1
December	0	2	4,288	0.0	0.0
2017.--					
January	0	1	3,355	0.0	0.0
February	0	1	3,389	0.0	0.0
March	0	1	3,631	0.0	0.0
April	0	0	3,341	0.0	0.0
May	0	0	2,503	0.0	0.0
June	0	0	1,159	0.0	0.0
July	0	0	1,066	0.0	0.0
August	0	0	721	0.0	0.0
September	0	0	785	0.0	0.0
October	0	0	833	0.0	0.0
November	0	0	796	0.0	0.0
December (negligibility period)	0	0	677	0.0	0.0
2018.--					
January	0	0	760	0.0	0.0
February	0	0	855	0.0	0.0
March	0	0	639	0.0	0.0
April	0	0	970	0.0	0.0
May	0	0	1,492	0.0	0.0
June	0	0	1,682	0.0	0.0

Source: Official U.S. import statistics using HTS statistical reporting number 7305.31.6010, accessed September 19, 2018.

**Figure D-3**  
**LDW stainless steel structural pipe: U.S. imports from Greece and from Turkey as a share of total imports, twelve month moving periods, January 2016 through June 2018**



Source: Official U.S. import statistics using HTS statistical reporting number 7305.31.6010, accessed September 19, 2018.

**Table D-7**  
**LDW carbon and other alloy steel structural pipe: U.S. imports in the twelve month period preceding the filing of the petition, January to December 2017**

Item	January 2017 through December 2017			
	AD investigations		CVD investigations	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--				
Canada	9,234	11.4	NA	NA
China	17,507	21.6	17,507	21.6
Greece	42	0.1	NA	NA
India	95	0.1	95	0.1
Korea subject	15,846	19.5	15,846	19.5
Turkey subject	15,447	19.0	15,447	19.0
Subject sources	58,172	71.6	48,896	60.2
Korea nonsubject	---	---	---	---
All other sources	23,041	28.4	32,317	39.8
Nonsubject sources	23,041	28.4	32,317	39.8
All import sources	81,213	100.0	81,213	100.0

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-8**

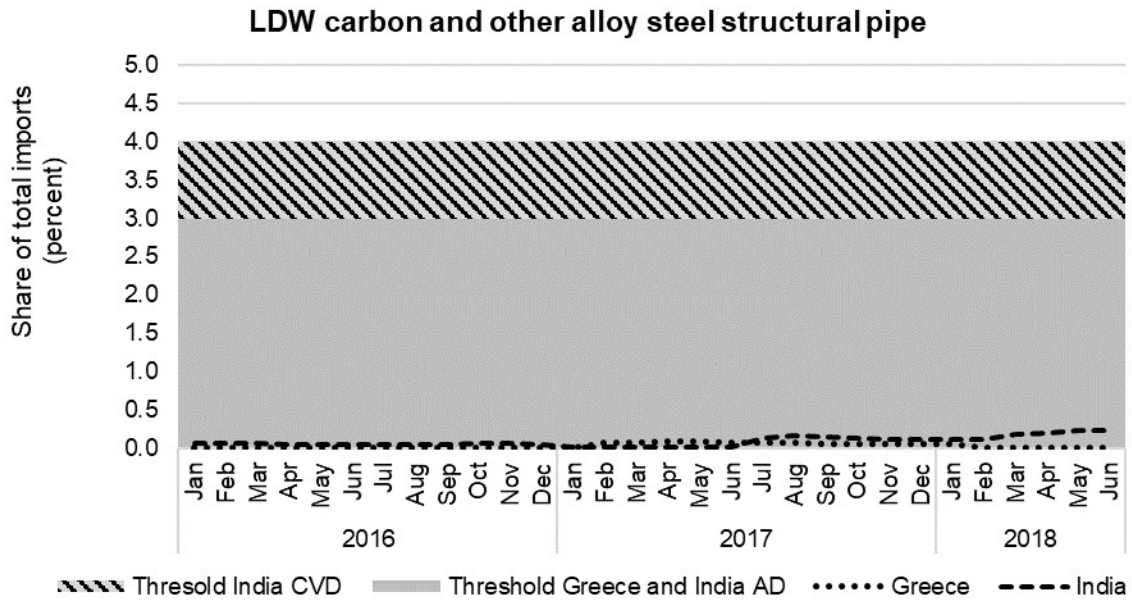
**LDW carbon and other alloy steel structural pipe: U.S. imports from Greece, India, and from all other sources, rolling twelve month average by ending month, January 2016 through June 2018**

<b>12 month period ending in</b>	<b>U.S. imports from Greece (short tons)</b>	<b>U.S. imports from India (short tons)</b>	<b>U.S. imports from all import sources (short tons)</b>	<b>Greece share (percent)</b>	<b>India share (percent)</b>
2016.--					
January	0	35	50,664	0.0	0.1
February	0	35	49,709	0.0	0.1
March	0	35	53,043	0.0	0.1
April	0	35	61,808	0.0	0.1
May	0	28	64,982	0.0	0.0
June	0	28	62,333	0.0	0.0
July	0	28	56,909	0.0	0.0
August	0	28	54,825	0.0	0.1
September	0	28	54,370	0.0	0.1
October	0	38	55,250	0.0	0.1
November	0	38	56,721	0.0	0.1
December	0	26	56,416	0.0	0.0
2017.--					
January	0	10	57,467	0.0	0.0
February	42	10	60,724	0.1	0.0
March	42	10	56,416	0.1	0.0
April	42	10	49,996	0.1	0.0
May	42	10	51,038	0.1	0.0
June	42	10	53,248	0.1	0.0
July	42	74	59,504	0.1	0.1
August	42	105	64,025	0.1	0.2
September	42	105	72,077	0.1	0.1
October	42	95	74,868	0.1	0.1
November	42	95	80,935	0.1	0.1
December (negligibility period)	42	95	81,213	0.1	0.1
2018.--					
January	42	95	83,078	0.1	0.1
February	0	103	85,121	0.0	0.1
March	0	165	93,718	0.0	0.2
April	0	181	94,602	0.0	0.2
May	0	215	93,457	0.0	0.2
June	0	215	91,753	0.0	0.2

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.



**Figure D-4**  
**LDW carbon and other alloy steel structural pipe: U.S. imports from Greece and from India as a share of total imports, twelve month moving periods, January 2016 through June 2018**



Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-9**

**LDW carbon and other alloy steel pipe: U.S. imports in the twelve month period preceding the filing of the petition, January 2017 through December 2017**

Item	January 2017 through December 2017			
	AD investigations		CVD investigations	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.-- Canada	180,526	22.3	NA	NA
China	29,447	3.6	29,447	3.2
Greece	11,420	1.4	NA	NA
India	295,315	36.5	295,315	32.5
Korea subject	61,666	7.6	***	***
Turkey subject	61,235	7.6	61,235	6.7
Subject sources	639,609	79.1	***	***
Korea nonsubject	---	---	***	***
All other sources	169,210	20.9	361,155	39.8
Nonsubject sources	169,210	20.9	***	***
All import sources	808,818	100.0	908,441	100.0

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

Source: Official U.S. import statistics and proprietary \*\*\* records (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-10**

**LDW carbon and other alloy steel pipe: U.S. imports from Greece, India, and from all other sources, rolling twelve month average by ending month, January 2016 through June 2018**

<b>12 month period ending in</b>	<b>U.S. imports from Greece (short tons)</b>	<b>U.S. imports from all import sources (short tons)</b>	<b>Greece share (percent)</b>
2016.--			
January	192,307	1,351,058	14.2
February	196,859	1,316,071	15.0
March	178,832	1,201,460	14.9
April	173,774	1,176,496	14.8
May	145,629	1,075,023	13.5
June	112,587	982,431	11.5
July	66,691	849,504	7.9
August	48,769	770,253	6.3
September	35,351	715,167	4.9
October	44,379	674,174	6.6
November	53,619	679,940	7.9
December	74,072	667,428	11.1
2017.--			
January	68,764	614,811	11.2
February	64,254	632,752	10.2
March	63,892	666,559	9.6
April	48,456	616,704	7.9
May	48,456	656,273	7.4
June	42,908	654,206	6.6
July	39,323	695,559	5.7
August	39,323	737,981	5.3
September	39,323	835,636	4.7
October	30,295	887,267	3.4
November	31,867	906,075	3.5
December (negligibility period)	11,420	908,441	1.3
2018.--			
January	23,817	936,213	2.5
February	36,213	934,613	3.9
March	53,546	924,184	5.8
April	75,453	970,692	7.8
May	99,588	961,258	10.4
June	99,588	965,627	10.3

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

Source: Official U.S. import statistics and \*\*\* (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Figure D-5**

**LDW carbon and other alloy steel pipe: U.S. imports from Greece and from India as a share of total imports, twelve month moving periods, January 2016 through June 2018**

\* \* \* \* \*

**Table D-11**

**LDW line pipe: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

**Table D-12**

**LDW structural pipe: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2015-17, January to June 2017, and January to June 2018**

\* \* \* \* \*

**Table D-13**  
**LDW line pipe: U.S. imports by border of entry, 2017**

Item	Border of entry				
	East	North	South	West	All borders
	<b>Quantity (short tons)</b>				
U.S. imports from.--					
Canada	17,709	143,460	---	0	161,169
China	3,019	---	6,377	5,046	14,442
Greece	13,808	---	3	---	13,811
India	169,873	34	222,069	---	391,976
Korea subject	***	***	***	***	***
Turkey	45,656	---	64	---	45,720
Subject sources	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
All other sources	10,622	619	150,188	19,036	180,465
Nonsubject sources	***	***	***	***	***
All import sources	264,889	143,986	532,963	21,920	963,758
	<b>Share across (percent)</b>				
U.S. imports from.--					
Canada	11.0	89.0	---	0.0	100.0
China	20.9	---	44.2	34.9	100.0
Greece	100.0	---	0.0	---	100.0
India	43.3	0.0	56.7	---	100.0
Korea subject	***	***	***	***	***
Turkey	99.9	---	0.1	---	100.0
Subject sources	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
All other sources	5.9	0.3	83.2	10.5	100.0
Nonsubject sources	***	***	***	***	***
All import sources	27.5	14.9	55.3	2.3	100.0
	<b>Share down (percent)</b>				
U.S. imports from.--					
Canada	6.7	99.6	---	0.0	16.7
China	1.1	---	1.2	23.0	1.5
Greece	5.2	---	0.0	---	1.4
India	64.1	0.0	41.7	---	40.7
Korea subject	***	***	***	***	***
Turkey	17.2	---	0.0	---	4.7
Subject sources	***	***	***	***	***
Korea nonsubject	***	***	***	***	***
All other sources	4.0	0.4	28.2	86.8	18.7
Nonsubject sources	***	***	***	***	***
All import sources	100.0	100.0	100.0	100.0	100.0

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

Source: Official U.S. import statistics and proprietary \*\*\* (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000, accessed September 19, 2018.

**Table D-14**  
**LDW structural pipe: U.S. imports by border of entry, 2017**

Item	Border of entry				
	East	North	South	West	All borders
	<b>Quantity (short tons)</b>				
U.S. imports from.--					
Canada	6,263	5,717	---	1,059	13,038
China	4,885	592	7,403	8,017	20,897
Greece	44	---	---	---	44
India	18	9	119	13	159
Korea subject	1,471	121	11,689	7,742	21,023
Turkey	5,996	---	10,774	---	16,770
Subject sources	18,677	6,438	29,985	16,831	71,931
Nonsubject sources	715	569	6,786	18,511	26,581
All import sources	19,392	7,008	36,771	35,342	98,513
	<b>Share across (percent)</b>				
U.S. imports from.--					
Canada	48.0	43.8	---	8.1	100.0
China	23.4	2.8	35.4	38.4	100.0
Greece	100.0	---	---	---	100.0
India	11.5	5.4	74.7	8.4	100.0
Korea subject	7.0	0.6	55.6	36.8	100.0
Turkey	35.8	---	64.2	---	100.0
Subject sources	26.0	9.0	41.7	23.4	100.0
Nonsubject sources	2.7	2.1	25.5	69.6	100.0
All import sources	19.7	7.1	37.3	35.9	100.0
	<b>Share down (percent)</b>				
U.S. imports from.--					
Canada	32.3	81.6	---	3.0	13.2
China	25.2	8.5	20.1	22.7	21.2
Greece	0.2	---	---	---	0.0
India	0.1	0.1	0.3	0.0	0.2
Korea subject	7.6	1.7	31.8	21.9	21.3
Turkey	30.9	---	29.3	---	17.0
Subject sources	96.3	91.9	81.5	47.6	73.0
Nonsubject sources	3.7	8.1	18.5	52.4	27.0
All import sources	100.0	100.0	100.0	100.0	100.0

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

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-14a**  
**Stainless steel LDW pipe: U.S. imports by border of entry, 2017**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
East	X	X	---	X	---	---
North	X	---	---	X	---	---
South	---	X	---	---	X	---
West	---	X	---	X	---	---

Source: Official U.S. import statistics using HTS statistical reporting number 7305.31.6010, accessed September 19, 2018.

**Table D-14b**  
**Structural non-stainless steel LDW pipe: U.S. imports by border of entry, 2017**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
East	X	X	X	---	X	X
North	X	X	---	X	X	---
South	---	X	---	X	X	X
West	X	X	---	---	X	---

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-15**  
**LDW line pipe: Arranged imports, July 2018 through June 2019**

\* \* \* \* \*

**Table D-16**  
**LDW structural pipe: Arranged imports, July 2018 through June 2019**

\* \* \* \* \*

**Table D-17**  
**LDW line pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea subject	Turkey
	Quantity (short tons)					
2015.--						
January	42,040	1,962	20,202	15,311	***	11,700
February	33,795	882	---	107	***	1,179
March	48,554	9,858	17,845	25,942	***	242
April	35,855	3,354	20,281	1,040	***	269
May	29,307	2,970	27,770	252	***	16,805
June	32,609	413	37,743	306	***	16,449
July	20,554	3,524	47,841	---	***	28,934
August	20,741	8,373	17,053	8,040	***	15,024
September	13,028	443	12,610	25	***	12,088
October	15,706	1,338	---	---	***	18,579
November	12,974	692	---	---	***	8
December	18,917	204	---	49	***	4,899
2016.--						
January	20,023	734	6,068	323	***	15,954
February	1,638	4,144	4,534	9,511	***	13,473
March	4,697	810	364	---	***	10,067
April	2,018	1,580	17,371	---	***	22,859
May	2,591	164	---	---	***	16,723
June	1,818	302	6,774	---	***	22,940
July	401	1,601	3,452	---	***	11,083
August	1,001	1,174	---	2	***	3,261
September	213	319	---	11,797	***	1
October	1,151	1,178	12,673	---	***	15
November	10,313	28	12,949	11,055	***	10
December	11,246	230	26,617	6	***	5

Table continued on next page.



**Table D-17--Continued**  
**LDW line pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea subject	Turkey
	Quantity (short tons)					
2017.--						
January	2,986	3,425	---	13	***	14,298
February	8,148	2,628	---	56,835	***	8
March	18,349	478	---	63,469	***	4,701
April	6,541	1,617	2,054	16,218	***	---
May	23,790	1,467	---	42,453	***	---
June	12,032	88	---	21,305	***	12,193
July	11,520	157	---	41,438	***	13,045
August	18,786	1,078	---	39,942	***	---
September	19,076	1,405	---	64,308	***	---
October	12,406	525	---	45,989	***	---
November	12,459	352	11,754	---	***	1,474
December	15,076	1,221	3	7	***	---
2018.--						
January	14,522	962	12,437	436	***	---
February	19,772	1,903	13,253	---	***	---
March	20,958	220	18,498	41	***	---
April	19,493	311	25,610	---	***	---
May	6,861	94	31,809	394	***	269
June	15,177	340	---	621	***	604
July	15,995	3	52,394	---	***	233
August	46,796	---	11,950	1	***	9,190
September	14,067	730	13,153	---	N/A	21,915

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**Table D-17--Continued**  
**LDW line pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports				
	Subject sources	Korea nonsubject	All other sources	Nonsubject sources	All import sources
	Quantity (short tons)				
2015.--					
January	108,193	***	38,481	***	163,984
February	51,313	***	16,840	***	74,683
March	106,452	***	27,402	***	147,954
April	82,292	***	11,423	***	105,641
May	87,678	***	37,390	***	129,928
June	108,899	***	41,169	***	152,478
July	109,635	***	36,336	***	152,147
August	80,943	***	27,957	***	111,425
September	43,723	***	31,906	***	81,155
October	50,310	***	14,775	***	78,634
November	21,140	***	7,983	***	41,363
December	26,320	***	18,816	***	49,767
2016.--					
January	54,261	***	17,887	***	76,981
February	46,163	***	5,884	***	63,741
March	20,606	***	15,280	***	51,710
April	62,676	***	26,986	***	92,958
May	22,957	***	8,974	***	34,708
June	38,145	***	19,131	***	59,013
July	20,809	***	29,784	***	53,211
August	14,231	***	36,752	***	57,130
September	14,371	***	14,988	***	29,705
October	37,861	***	5,720	***	45,523
November	41,075	***	4,623	***	51,520
December	45,116	***	10,575	***	58,505

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**Table D-17--Continued**  
**LDW line pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports				
	Subject sources	Korea nonsubject	All other sources	Nonsubject sources	All import sources
	<b>Quantity (short tons)</b>				
2017.--					
January	25,518	***	8,980	***	36,682
February	78,139	***	3,676	***	86,436
March	94,155	***	9,956	***	108,344
April	35,793	***	12,668	***	49,889
May	82,632	***	7,931	***	93,251
June	54,355	***	13,395	***	70,733
July	77,168	***	6,831	***	88,264
August	73,496	***	16,836	***	91,985
September	98,939	***	31,378	***	136,684
October	75,525	***	13,667	***	93,049
November	29,563	***	19,916	***	55,644
December	42,478	***	8,649	***	52,796
2018.--					
January	41,983	***	9,200	***	57,505
February	40,820	***	14,564	***	58,313
March	46,866	***	12,101	***	62,113
April	64,334	***	11,198	***	81,880
May	52,784	***	20,977	***	73,995
June	43,092	***	14,321	***	61,947
July	75,678	***	20,726	***	99,950
August	71,710	***	29,833	***	101,638
September	N/A	N/A	N/A	N/A	N/A

Note.—\*\*\* data is not available for September 2018.

Source: Official U.S. import statistics and \*\*\* (to identify Korea subject vs nonsubject) using HTS statistical reporting numbers 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000, accessed September 19, 2018.

**Table D-18**  
**LDW structural pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
Quantity (short tons)						
2015.--						
January	757	2,446	---	7	1,827	---
February	954	1,248	---	---	684	25
March	1,123	2,089	---	---	1,030	20
April	1,081	1,174	---	---	469	20
May	1,609	306	---	2	---	71
June	730	1,727	---	---	770	27
July	525	5,245	---	---	1,473	10
August	1,203	1,997	---	---	209	1,038
September	929	185	---	---	609	19
October	1,873	569	---	---	42	43
November	2,715	915	---	---	1,208	5
December	585	387	---	9	917	3
2016.--						
January	124	1,971	---	21	2,538	19
February	1,650	333	---	---	826	547
March	392	747	---	---	4,532	8
April	1,222	1,471	---	---	4,875	1,400
May	1,035	498	---	---	480	3
June	668	684	---	---	2,075	---
July	944	19	---	---	826	3
August	1,543	390	---	---	933	1,273
September	1,155	43	---	---	1,187	---
October	580	1,286	---	5	1,212	---
November	829	504	---	---	2,661	---
December	412	780	---	---	1,297	5

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**Table D-18—Continued**  
**LDW structural pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
Quantity (short tons)						
2017.--						
January	593	2,162	---	---	1,229	1,192
February	874	607	44	---	1,849	3,527
March	1,641	1,004	---	---	1,516	---
April	979	2,582	---	---	1,811	---
May	1,144	2,037	---	---	2,276	1,033
June	1,586	2,239	---	---	517	---
July	764	3,116	---	95	1,970	1,510
August	1,420	3,302	---	36	2,068	---
September	875	2,604	---	8	2,832	3,512
October	1,081	414	---	---	2,726	---
November	1,229	387	---	---	1,220	5,996
December	851	446	---	20	1,010	---
2018.--						
January	553	120	---	72	3,771	---
February	494	102	---	48	2,457	---
March	1,074	2,315	---	113	3,295	4,111
April	615	1,219	---	23	2,395	---
May	658	584	---	42	992	---
June	78	1,797	---	95	609	---
July	250	2,041	---	---	---	---
August	249	473	---	36	1,224	---
September	162	552	---	---	---	---

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**Table D-18—Continued**  
**LDW structural pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports		
	Subject sources	Nonsubject sources	All import sources
	Quantity (short tons)		
2015.--			
January	5,038	2,538	7,576
February	2,910	1,234	4,145
March	4,263	1,018	5,281
April	2,744	1,045	3,789
May	1,989	638	2,627
June	3,254	3,006	6,260
July	7,253	2,282	9,535
August	4,448	1,539	5,987
September	1,742	1,937	3,679
October	2,527	884	3,411
November	4,843	639	5,482
December	1,901	1,489	3,390
2016.--			
January	4,673	2,016	6,689
February	3,356	471	3,827
March	5,679	3,486	9,165
April	8,969	4,731	13,700
May	2,017	4,058	6,075
June	3,427	1,628	5,055
July	1,792	2,240	4,032
August	4,139	1,331	5,471
September	2,385	1,270	3,655
October	3,083	2,180	5,264
November	3,994	2,780	6,774
December	2,494	1,974	4,468

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**Table D-18—Continued**  
**LDW structural pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports		
	Subject sources	Nonsubject sources	All import sources
	Quantity (short tons)		
2017.--			
January	5,176	1,110	6,286
February	6,900	1,796	8,696
March	4,161	876	5,037
April	5,372	2,460	7,832
May	6,490	1,463	7,953
June	4,341	1,802	6,143
July	7,455	3,211	10,665
August	6,826	3,819	10,645
September	9,831	2,318	12,148
October	4,221	4,181	8,402
November	8,832	2,940	11,773
December	2,326	605	2,932
2018.--			
January	4,516	2,389	6,905
February	3,102	4,725	7,827
March	10,908	1,212	12,120
April	4,253	883	5,136
May	2,277	3,534	5,810
June	2,578	343	2,921
July	2,291	483	2,775
August	1,982	1,861	3,843
September	714	5,919	6,633

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed November 27, 2018.

**Table D-18a**  
**Stainless steel LDW pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
2015.--						
January	X	---	---	X	---	---
February	X	---	---	---	---	X
March	---	---	---	---	X	X
April	X	---	---	---	---	X
May	X	---	---	---	---	X
June	X	---	---	---	---	X
July	X	---	---	---	---	X
August	X	---	---	---	---	X
September	X	---	---	---	X	X
October	X	---	---	---	---	X
November	---	---	---	---	X	X
December	X	---	---	---	X	X
2016.--						
January	---	X	---	---	X	X
February	X	---	---	---	---	---
March	X	---	---	---	X	X
April	X	---	---	---	X	X
May	X	---	---	---	X	---
June	X	---	---	---	X	---
July	X	---	---	---	X	---
August	X	---	---	---	X	---
September	X	---	---	---	---	---
October	X	---	---	---	---	---
November	X	X	---	---	X	---
December	X	X	---	---	X	---

Table continued on next page.



**Table D-18a—Continued**

**Stainless steel LDW pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
2017.--						
January	X	X	---	---	---	---
February	X	X	---	---	---	---
March	X	X	---	---	---	---
April	X	X	---	---	---	---
May	X	X	---	---	---	---
June	X	X	---	---	---	---
July	X	X	---	---	---	---
August	---	X	---	X	---	---
September	X	X	---	X	---	---
October	X	X	---	---	X	---
November	X	X	---	---		---
December	---	X	---	X	X	---
2018.--						
January	X	X	---	X	---	---
February	X	X	---	X	---	---
March	X	---	---	---	---	---
April	X	X	---	---	X	---
May	X	X	---	X	---	---
June	---	X	---	X		---
July	---	X	---	---	---	---
August	---	---	---	---	---	---
September	---	X	---	---	---	---

Source: Official U.S. import statistics using HTS statistical reporting number 7305.31.6010, accessed September 19, 2018.

**Table D-18b**

**Structural non-stainless steel LDW pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
2015.--						
January	X	X	---	---	X	---
February	X	X	---	---	X	X
March	X	X	---	---	X	X
April	X	X	---	---	X	X
May	X	X	---	X	---	X
June	X	X	---	---	X	---
July	X	X	---	---	X	X
August	X	X	---	---	X	X
September	X	X	---	---	X	X
October	X	X	---	---	X	X
November	X	X	---	---	X	X
December	X	X	---	X	X	X
2016.--						
January	X	X	---	X	X	X
February	X	X	---	---	X	X
March	X	X	---	---	X	X
April	X	X	---	---	X	X
May	X	X	---	---	X	X
June	X	X	---	---	X	---
July	X	X	---	---	X	X
August	X	X	---	---	X	X
September	X	X	---	---	X	---
October	X	X	---	X	X	---
November	X	X	---	---	X	---
December	X	X	---	---	X	X

Table continued on next page.

**Table D-18b--Continued**

**Structural non-stainless steel LDW pipe: U.S. imports by month, January through September 2018**

Item	U.S. imports					
	Canada	China	Greece	India	Korea	Turkey
2017.--						
January	X	X	---	---	X	X
February	X	X	X	---	X	X
March	X	X	---	---	X	---
April	X	X	---	---	X	---
May	X	X	---	---	X	X
June	X	X	---	---	X	---
July	X	X	---	X	X	X
August	X	X	---	X	X	---
September	X	X	---	---	X	X
October	X	X	---	---	X	---
November	X	X	---	---	X	X
December	X	X	---	---	X	---
2018.--						
January	X	X	---	---	X	---
February	X	X	---	X	X	---
March	X	X	---	X	X	X
April	X	X	---	X	X	---
May	X	X	---	X	X	---
June	X	X	---	---	X	---
July	X	X	---	---	---	---
August	X	X	---	X	X	---
September	X	X	---	---	---	---

Source: Official U.S. import statistics using HTS statistical reporting numbers 7305.31.4000, 7305.31.6090, 7305.39.1000, and 7305.39.5000, accessed September 19, 2018.

**Table D-19**  
**LDWP: Summary of winning bids, by source**

Source of winning bid	Number of winning bids	Winning bid was lowest price	Winning bid was not lowest price <sup>1</sup>	Only one source reported	Winning bid lower than US	Winning bid higher than US
<b>LDWP:</b>	<b>LDWP</b>					
United States	47	17	20	10	NA	NA
Canada	10	4	4	2	5	3
China	15	4	3	8	6	---
Greece	10	4	4	2	7	1
India	1	---	1	---	---	1
Korea (subject)	7	---	2	5	1	---
Turkey	4	2	2	---	4	---
Subject sources	47	14	16	17	23	5
Korea (nonsubject)	---	---	---	---	---	---
Nonsubject sources	9	1	1	7	1	---
<b>LDW line pipe:</b>	<b>LDW line pipe</b>					
United States	38	15	19	4	NA	NA
Canada	8	4	3	1	5	2
China	6	1	---	5	1	---
Greece	10	4	4	2	7	1
India	1	---	1	---	---	1
Korea (subject)	6	---	2	4	1	---
Turkey	4	2	2	---	4	---
Subject sources	35	11	12	12	18	4
Korea (nonsubject)	---	---	---	---	---	---
Nonsubject sources	4	1	1	2	1	---
<b>LDW structural pipe:</b>	<b>LDW structural pipe</b>					
United States	9	2	1	6	NA	NA
Canada	2	---	1	1	---	1
China	9	3	3	3	5	---
Greece	---	---	---	---	---	---
India	---	---	---	---	---	---
Korea (subject)	1	---	---	1	---	---
Turkey	---	---	---	---	---	---
Subject sources	12	3	4	5	5	1
Korea (nonsubject)	---	---	---	---	---	---
Nonsubject sources	5	---	---	5	---	---

Table continued on the next page.

**Table D-19—Continued.**  
**LDWP: Summary of winning bids, by source**

<sup>1</sup> A Canadian producer won three LDW line pipe projects in which its bids were not the lowest price; in all three instances, another subject country supplier quoted the lowest price but did not win the award. A Greek producer won four LDW line pipe projects in which its bids were not the lowest price; in two instances a domestic supplier quoted the lowest price but did not win the award and in two instances another subject country supplier quoted the lowest price but did not win the award. An Indian producer won one LDW line pipe project in which its bid was not the lowest price; in this instance, another subject country supplier quoted the lowest price but did not win the award. Producers from Korea won two LDW line pipe projects in which their bids were not the lowest price; in one instance a domestic supplier quoted the lowest price but did not win the award and in one instance another subject country supplier quoted the lowest price but did not win the award. Producers from Turkey won two LDW line pipe projects in which their bids were not the lowest price; in one instance a domestic supplier quoted the lowest price but did not win the award and in one instance another subject country supplier quoted the lowest price but did not win the award.

A Canadian producer won one LDW structural pipe project in which its bid was not the lowest price; in this instance a domestic supplier quoted the lowest price but did not win the award. Chinese producers won three LDW structural pipe projects in which their bids were not the lowest price; in all three instances another subject country supplier quoted the lowest price but did not win the award.

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



## **APPENDIX E**

**Narratives comparing LDW line pipe vs. LDW structural pipe by factor**





Tables E-1 and E-2 present data on U.S. producers and U.S. purchasers' narratives comparing LDW line pipe vs. LDW structural pipe by factor, since January 1, 2015.

**Table E-1**  
**LDW line pipe: U.S. producers' narratives comparing LDW line pipe vs. LDW structural pipe by factor, since January 1, 2015**

\* \* \* \* \*

**Table E-2**  
**LDWP: U.S. purchasers' narratives comparing LDW line pipe vs. LDW structural pipe by factor,**  
**since January 1, 2015**

\* \* \* \* \*

**APPENDIX F**

**BID DATA**



Data are business proprietary in their entirety.



## **APPENDIX G**

### **Foreign industry data: LDW line and structural pipe**





Appendix G presents tables G-1 through G-6 which present data on domestic like product considerations (line versus structural) for the foreign industry data collected during 2015-17, January to June 2017, January to June 2018, and projection calendar years 2018 and 2019. Data was split for three foreign industries (Greece, Korea, and Turkey) between line and structural pipe.

**Table G-1**

**LDW line pipe: Data on industry in Greece, 2015-17, January to June 2017, January to June 2018, and projection calendar years 2018 and 2019**

\* \* \* \* \*

**Table G-2**

**LDW structural pipe: Data on industry in Greece, 2015-17, January to June 2017, January to June 2018, and projection calendar years 2018 and 2019**

\* \* \* \* \*

**Table G-3**

**LDW line pipe: Data on industry in Korea, 2015-17, January to June 2017, January to June 2018, and projection calendar years 2018 and 2019**

\* \* \* \* \*

**Table G-4**

**LDW structural pipe: Data on industry in Korea, 2015-17, January to June 2017, January to June 2018, and projection calendar years 2018 and 2019**

\* \* \* \* \*

**Table G-5**

**LDW line pipe: Data on industry in Turkey, 2015-17, January to June 2017, January to June 2018, and projection calendar years 2018 and 2019**

\* \* \* \* \*

**Table G-6**

**LDW structural pipe: Data on industry in Turkey, 2015-17, January to June 2017, January to June 2018, and projection calendar years 2018 and 2019**

\* \* \* \* \*

