Circular Welded Carbon-Quality Steel Pipe from China

Investigation Nos. 701-TA-447 and 731-TA-1116 (Second Review)

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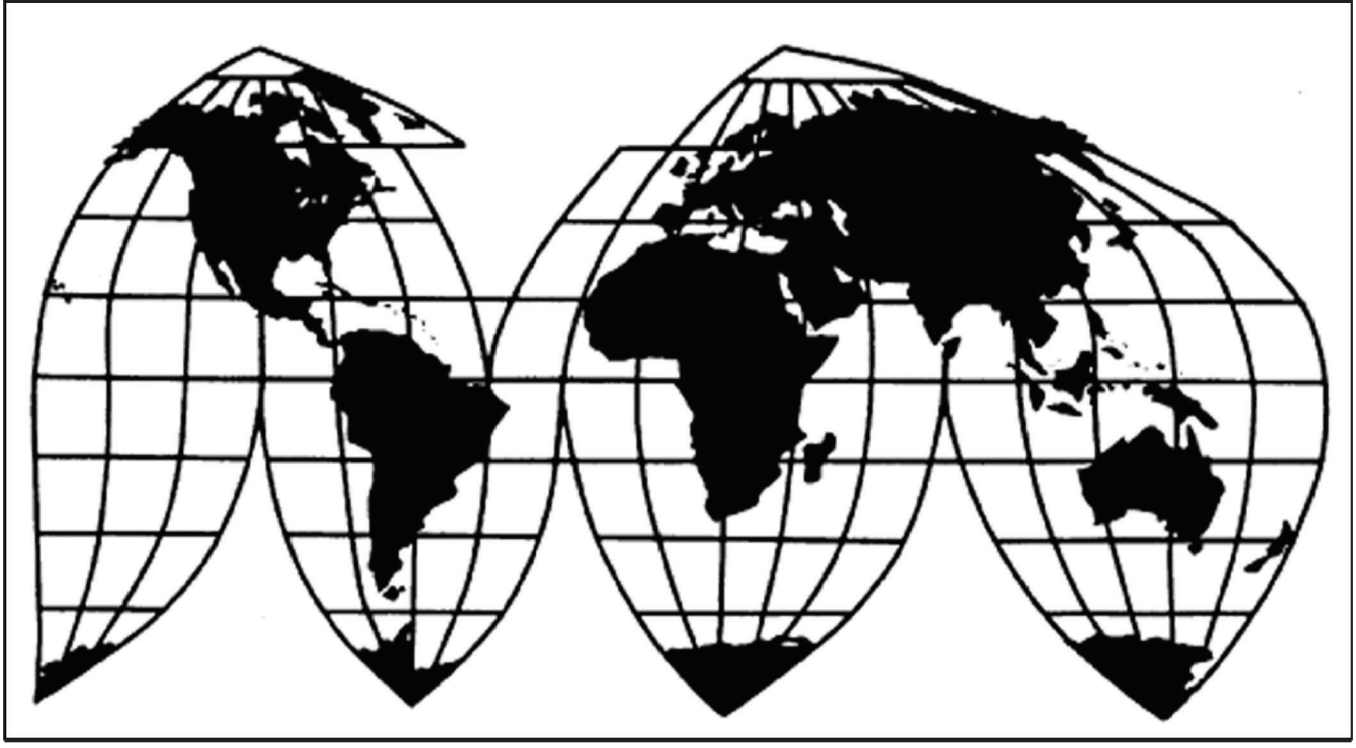
U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-447 and 731-TA-1116 (Second Review)

Circular Welded Carbon-Quality Steel Pipe from China

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the countervailing and antidumping duty orders on circular welded carbon-quality steel pipe from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these review on November 1, 2018 (83 FR 54936) and determined on March 11, 2019 that it would conduct expedited reviews (84 FR 17889, April 26, 2019).

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

[2] Commissioner Meredith M. Broadbent not participating.

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping and countervailing duty orders on circular welded carbon-quality steel pipe ("CWP") from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

I. Background

Original Investigations: On June 7, 2007, Allied Tube and Conduit, IPSCO Tubulars, Inc., Northwest Pipe Company, Sharon Tube Company, Western Tube & Conduit Corporation, Wheatland Tube Company, and the United Steelworkers filed antidumping and countervailing duty petitions with the Commission and the U.S. Department of Commerce ("Commerce") concerning imports of CWP from China.[2] The Commission made final affirmative determinations in July 2008.[3] Commerce published antidumping and countervailing duty orders on CWP from China on July 22, 2008.[4]

First reviews: The Commission instituted its first five-year reviews in June 2013. After conducting expedited reviews, the Commission reached affirmative determinations in November 2013.[5] Commerce issued a continuation of the orders effective December 4, 2013.[6]

Second reviews: The Commission instituted these five-year reviews on November 1, 2018.[7] The Commission received a joint response to the notice of institution filed on behalf of Bull Moose Tube Co.; EXLTUBE; Independence Tube Corp., a Nucor company; Southland Tube, Inc., a Nucor company; TMK IPSCO; Wheatland Tube Co.; and Zekelman Industries, all domestic

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[1] Commissioner Broadbent did not participate in the vote in these reviews.

[2] *Circular Welded Carbon-Quality Steel Pipe from China*, Inv. Nos. 701-TA-447 and 731-TA-1116 (Final), USITC Pub. 4019 at 1 (July 2008) ("*Original Determination*").

[3] *Circular Welded Carbon-Quality Steel Pipe From China*, 73 Fed. Reg. 42365 (July 22, 2008).

[4] *Notice of Antidumping Duty Order: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China*, 73 Fed. Reg. 42547 (July 22, 2008); *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 73 Fed. Reg. 42545 (July 22, 2008).

[5] *Circular Welded Carbon-Quality Steel Pipe from China*, Inv. Nos. 701-TA-447 and 731-TA-1116 (Review), USITC Pub. 4435 (Nov. 2013) ("*First Review Determination*"); *Circular Welded Carbon-Quality Steel Pipe From China*, 78 Fed. Reg. 70069 (Nov. 22, 2013).

[6] *Circular Welded Carbon-Quality Steel Pipe From the People's Republic of China: Continuation of Antidumping Duty Order*, 78 Fed. Reg. 72863 (Dec. 4, 2013); *Circular Welded Carbon Quality Steel Pipe From the People's Republic of China: Continuation of Countervailing Duty Order*, 78 Fed. Reg. 72863 (Dec. 4, 2013).

[7] *Circular Welded Carbon-Quality Steel Pipe from China: Institution of Five-Year Reviews*, 83 Fed. Reg. 54936 (Nov. 1, 2018).

producers of CWP (collectively, the "Domestic Interested Parties").[8] It did not receive a response from any respondent interested party. On March 11, 2019, the Commission determined that the domestic interested party group response was adequate and the respondent interested party group response was inadequate. Finding that no other circumstances warranted conducting full reviews, the Commission determined to conduct expedited reviews.[9]

In these reviews, U.S. industry data are based on information submitted by the seven responding U.S. producers of CWP in their response to the notice of institution. These producers estimate that they accounted for 80 percent of domestic production of CWP in 2017.[10] U.S. import data and related information are based on Commerce's official import statistics.[11] Foreign industry data and related information are based on information that the Domestic Interested Parties provided, questionnaire responses from the prior proceedings, and publicly available information gathered by the Commission staff.[12]

II. Domestic Like Product and Industry

A. Domestic Like Product

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

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[8] Domestic Interested Parties' Response to the Notice of Institution, EDIS Docs. 663150 (Dec. 3, 2018) at 1, and 663274 (Dec. 4, 2018) at 1. The Domestic Interested Parties also jointly filed comments on the determination the Commission should reach pursuant to Commission rule 207.62(d). Domestic Interested Parties' Adequacy Comments, EDIS Doc. 666384 (Feb. 8, 2019).

[9] *Circular Welded Carbon-Quality Steel Pipe from China; Scheduling of Expedited Five-Year Reviews*, 84 Fed. Reg. 17889 (Apr. 26, 2019); *see also* Explanation of Commission Determinations on Adequacy, EDIS Doc. 670727 (Mar. 21, 2019).

[10] Confidential Report, Memorandum INV-RR-003 (Feb. 27, 2019) as revised by Memorandum INV-RR-005 (Mar. 6, 2019) ("CR"), at I-2 and Table I-1; Public Report, *Circular Welded Carbon-Quality Steel Pipe From China*, Inv. Nos. 701-TA-447 and 731-TA-1116 (Second Review), USITC Pub. 4901 (June 2019) ("PR") at I-2 and Table I-1.

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

[12] These include Global Trade Atlas ("GTA") and Steel Statistical Yearbook ("SSY") data, which appear in the record in EDIS Docs. 667099 (Feb. 14, 2019) and 666077 (Feb. 6, 2019), respectively. *See generally* CR at I-38 – I-41, PR at I-28 – I-31.

[13] 19 U.S.C. § 1677(4)(A).

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

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

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

> certain welded carbon quality steel pipes and tubes, of circular cross-section, and with an outside diameter of 0.372 inches (9.45 mm) or more, but not more than 16 inches (406.4 mm), whether or not stenciled, regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (e.g., plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., ASTM, proprietary, or other), generally known as standard pipe and structural pipe (they may also be referred to as circular, structural, or mechanical tubing).
>
> Specifically, the term "carbon quality" includes products in which (a) iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
>
> (i) 1.80 percent of manganese;
> (ii) 2.25 percent of silicon;
> (iii) 1.00 percent of copper;
> (iv) 0.50 percent of aluminum;
> (v) 1.25 percent of chromium;
> (vi) 0.30 percent of cobalt;
> (vii) 0.40 percent of lead;
> (viii) 1.25 percent of nickel;
> (ix) 0.30 percent of tungsten;
> (x) 0.15 percent of molybdenum;
> (xi) 0.10 percent of niobium;
> (xii) 0.41 percent of titanium;
> (xiii) 0.15 percent of vanadium; or
> (xiv) 0.15 percent of zirconium.

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

Standard pipe is made primarily to American Society for Testing and Materials ("ASTM") specifications, but can be made to other specifications. Standard pipe is made primarily to ASTM specifications A-53, A-135, and A-795. Structural pipe is made primarily to ASTM specifications A-252 and A-500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. This is often the case, for example, with fence tubing. Pipe multiple-stenciled to a standard and/or structural specification and to any other specification, such as the American Petroleum Institute ("API") API-5L specification, is also covered by the scope of the order when it meets the physical description set forth above and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term "painted" does not include coatings to inhibit rust in transit, such as varnish, but includes coatings such as polyester.)

The scope of the order does not include: (a) pipe suitable for use in boilers, superheaters, heat exchangers, condensers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) mechanical tubing, whether or not cold-drawn; (c) finished electrical conduit; (d) finished scaffolding; (e) tube and pipe hollows for redrawing; (f) oil country tubular goods produced to API specifications; and (g) line pipe produced to only API specifications.

The pipe products that are the subject of the order are currently classifiable in HTSUS statistical reporting numbers 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90, 7306.50.10.00, 7306.50.50.50, 7306.50.50.70, 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. However, the product description, and not the Harmonized Tariff Schedule of the United States ("HTSUS") classification, is dispositive of whether merchandise imported into the United States falls within the scope of the order.[16]

[16] *Circular Welded Carbon Quality Steel Pipe From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 84 Fed. Reg. 15584 (Apr. 16, 2019); *Circular Welded Carbon Quality Steel Pipe From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order*, 84 Fed. Reg. 11050, 11051 (Mar. 25, 2019).

CWP is used in low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. It is also used for structural or load-bearing purposes above ground by the construction industry, as well as for structural systems in ships, trailers, farm equipment, and other similar applications. It is produced in nominal wall thicknesses and sizes to ASTM specifications. CWP may also be used for light load-bearing and mechanical applications, such as for fence tubing; scaffolding components; and protection of electrical wiring, such as conduit shells. CWP may be galvanized (zinc-coated by dipping in molten zinc), lacquered (black finish), or painted (black) to provide corrosion resistance.[17]

In each of the prior proceedings, the Commission defined a single domestic like product consisting of CWP, coextensive with Commerce's scope.[18] In these reviews, the record contains no information suggesting that the characteristics and uses of domestically produced CWP have changed since the prior proceedings that would warrant revisiting the definition of the domestic like product.[19] The Domestic Interested Parties agree with the Commission's definition of the domestic like product from the prior proceedings.[20] Based on the analysis in the original investigations, the record in these reviews, and the lack of any contrary argument, we again define a single domestic like product consisting of CWP, coextensive with Commerce's scope of the orders under review.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[21] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In each of the prior proceedings, the Commission defined the domestic industry to include all domestic producers of CWP. There were no related party or other domestic industry issues in any of the prior proceedings.[22]

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[17] CR at I-20 – I-22, PR at I-15 – I-16.

[18] *Original Determination*, USITC Pub. 4019 at 9; *First Review Determination*, USITC Pub. 4435 at 6.

[19] *See generally* CR at I-19 – I-22, PR at I-14 – I-16.

[20] Domestic Interested Parties' Response to the Notice of Institution at 17; Domestic Interested Parties' Final Comments, EDIS Doc. 675841 (May 14, 2019) at 2.

[21] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[22] *Original Determinations*, USITC Pub. 4019 at 9-10; *First Review Determinations*, USITC Pub. 4435 at 6-7.

The Domestic Interested Parties agree with the Commission's definition of the domestic industry from the prior proceedings.[23] There are no related party or other domestic industry issues in these reviews.[24] Accordingly, we define the domestic industry to be all domestic producers of CWP.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[25] The Uruguay Round Agreements Act Statement of Administrative Action (SAA) states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[26] Thus, the likelihood standard is prospective in nature.[27] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[28]

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[23] Domestic Interested Parties' Response to the Notice of Institution at 17; Domestic Interested Parties' Final Comments at 2.

[24] CR at I-31, PR at I-23.

[25] 19 U.S.C. § 1675a(a).

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

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

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

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[29] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[30]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[31] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[32] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[33]

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[34] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign

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particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[29] 19 U.S.C. § 1675a(a)(5).

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

[31] 19 U.S.C. § 1675a(a)(1).

[32] 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to CWP from China. CR at I-13, PR at I-10.

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

[34] 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.[35]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[36]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[37] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[38]

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the CWP industry in China.

There also is limited information regarding the CWP market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the prior proceedings, and the limited new information on the record in these second five-year reviews.

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[35] 19 U.S.C. § 1675a(a)(2)(A-D).

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

[37] 19 U.S.C. § 1675a(a)(4).

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

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order were to be revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[39] The following conditions of competition inform our determinations.

1. Demand Conditions

In the prior proceedings, the Commission found that demand for CWP was largely driven by nonresidential construction and was price inelastic due to the low cost share of CWP in the production of construction products. The Commission also found that domestic and imported CWP was sold to distributors and "master distributors," which carry a greater selection of CWP in inventory than smaller distributors and typically sell to other distributors.[40] Information in the limited record of these reviews indicates that the drivers of U.S. demand are unchanged from the prior proceedings.

Apparent U.S. consumption of CWP ranged from 2.36 million short tons to 2.72 million short tons during the original period of investigation ("POI") of January 1, 2005 to December 31, 2007, and increased by 9.0 percent from 2005 to 2007.[41] In the expedited first reviews, apparent U.S. consumption was appreciably lower in 2012 (*** short tons) than in 2007 (2.58 million short tons).[42] The data collected in these reviews indicate that apparent U.S. consumption in 2017 was 2.66 million short tons, which was higher than the level in 2007 or 2012.[43] The Domestic Interested Parties refer to the Commission's findings in recent five-year reviews concerning CWP from other countries to note that domestic demand for CWP has been flat in recent years and fell slightly from 2011 through 2016.[44]

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[39] 19 U.S.C. § 1675a(a)(4).

[40] *Original Determination*, USITC Pub. 4019 at 11, II-22; *First Review Determination*, USITC Pub. 4435 at 10. In the original investigations, the Commission noted that the presence of master distributors "enhanced the ability of the subject imports to compete in the U.S. market." USITC Pub. 4019 at 11. In the expedited first reviews, the Commission noted that some record evidence suggested that the domestic industry's share of shipments to distributors relative to end users had increased since the original investigations. *First Review Determination*, USITC Pub. 4435 at 10.

[41] *Original Determination*, USITC Pub. 4019 at 11.

[42] *First Review Determination*, USITC Pub. 4435 at 10.

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

[44] Domestic Interested Parties' Response to the Notice of Institution at 10, 15, *citing Certain Circular Welded Pipe and Tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey*, Investigation Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 532-534, and 536 (Fourth Review), USITC Pub. 4754 (Jan. 2018) ("*Brazil et al. Fourth Review Determination*") at 25. The Commission observation on apparent consumption trends in those reviews was likewise based on assertions of domestic interested parties.

2. Supply Conditions

In the prior proceedings, the Commission found that the domestic industry experienced consolidations and various mill closures.[45] Information in the limited record of these reviews similarly indicates that the domestic industry experienced some consolidation and facility closures, following Allied Tube and Conduit's exit from the market.[46]

Data collected during the prior proceedings indicate that the domestic industry supplied between 49.3 and 58.4 percent of the quantity of apparent U.S. consumption during the original investigations, and *** percent in 2012; subject imports, which supplied between 16.2 and 29.0 percent of apparent U.S. consumption during the original POI, fell to *** percent of the market in 2012; and nonsubject imports, which supplied between 15.8 and 25.4 percent of apparent U.S. consumption during the original POI, rose to *** percent of the market in 2012.[47]

In these reviews, the Domestic Interested Parties supplied 58.4 percent of apparent U.S. consumption in 2017, whereas subject imports supplied 2.0 percent and nonsubject imports supplied 39.6 percent.[48] Canada, Korea, and Thailand were the largest nonsubject sources of CWP imports in the current review period.[49] CWP imports from ten countries, including Korea and Thailand, are currently subject to antidumping and/or countervailing duties.[50]

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[45] *Original Determination*, USITC Pub. 4019 at 11-12, and Table III-3; *First Review Determination*, USITC Pub. 4435 at 11. In the original investigations, the Commission found that the domestic industry's capacity had declined by 13.7 percent over the POI, due largely to a number of closures by Wheatland, whereas its production increased overall by 5.1 percent. *Original Determination*, USITC Pub. 4019 at 11-12.

[46] CR/PR at Table I-4. There were a number of reported acquisitions by Nucor and Zekelman Industries during the period of review which, coupled with Allied Tube and Conduit's exit in 2015, appear to have left the domestic industry with fewer producers than in prior proceedings. *Id*.

[47] CR/PR at C-1 and Table I-8.

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

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

[50] *Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman, Pakistan, and the United Arab Emirates: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Orders*, 81 Fed. Reg. 91906 (Dec. 19, 2016); *Certain Welded Carbon Steel Pipes and Tubes From India, Thailand, and Turkey; Certain Circular Welded Non-Alloy Steel Pipe From Brazil, Mexico, the Republic of Korea, and Taiwan, and Certain Circular Welded Carbon Steel Pipes and Tubes From Taiwan: Continuation of Antidumping Duty Orders and Countervailing Duty Order*, 83 Fed. Reg. 5402 (Feb. 7, 2018). CWP imports from most countries, including India, Oman, Pakistan, Taiwan, Thailand, Turkey, and the United Arab Emirates, also currently enter the U.S. market subject to a 25 percent tariff under Section 232 of the Trade Expansion Act of 1962. CR at I-10 – I-13, PR at I-8 – I-10; *Adjusting Imports of Steel Into the United States*, 84 Fed. Reg. 23421 (May 21, 2019) (announcing a 25 percent reduction in the tariff rate applicable to Turkey). CWP imports from Brazil and Korea have entered the U.S. market subject to absolute quotas as an alternative to the tariff since June 2018. CR at I-12, PR at I-9. CWP imports from Canada and Mexico are currently exempt from the tariff and not subject to quotas. *Adjusting Imports of Steel Into the United States*, 84 Fed. Reg. 23987 (May 23, 2019).

3. Substitutability and Other Conditions

In the prior proceedings, the Commission found a moderately high degree of substitutability between domestic and subject CWP because CWP is manufactured to ASTM specifications regardless of source. It further found that price was an important factor in purchasing decisions.[51] In the original investigations, the Commission found that the high variable costs involved in CWP production constrained domestic producers from reducing prices to compete with subject imports.[52]

The limited record in these reviews contains nothing to indicate any change since the prior proceedings in the substitutability between U.S. produced and imported CWP regardless of source and the importance of price in purchasing decisions.[53] We thus find a moderately high degree of substitutability between the domestic like product and subject imports, and that price is an important factor for purchasing decisions.

CWP from China has been subject to a 25 percent tariff under Section 232 of the Trade Expansion Act of 1962 ("Section 232 tariffs") since March 2018.[54] CWP from China is not currently subject to additional tariffs under Section 301 of the Trade Act of 1974.[55]

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigations, the Commission found that subject imports accounted for an increasing share of apparent U.S. consumption by quantity and increased relative to U.S. production during the POI. The volume of subject imports increased from 382,122 short tons in 2005 to 715,728 short tons in 2006 and 748,181 short tons in 2007. Subject imports also steadily gained market share, from 16.2 percent of apparent U.S. consumption in 2005 to 26.4 percent in 2006 and 29.0 percent in 2007. The Commission found that these gains in market share came at the expense of the domestic industry, which reported declining market share during the POI.[56] Accordingly, the Commission found the volume of subject imports, and the increase in that volume, to be significant, both in absolute terms and relative to consumption and production in the United States.[57]

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[51] *Original Determination*, USITC Pub. 4019 at 12; *First Review Determination*, USITC Pub. 4435 at 11.

[52] *Original Determination*, USITC Pub. 4019 at 13.

[53] CR at I-15 – I-25, PR at I-12 – I-19.

[54] CR at I-10 – I-11 and I-17, PR at I-8 – I-9 and I-14. Specifically, subject CWP entering the U.S. under HTS subheadings 7306.30.10 and 7306.30.50 are subject to the Section 232 tariffs. CR at I-17, PR at I-14.

[55] CR at I-18, PR at I-14.

[56] The Commission also noted that the ratio of subject imports to U.S. production increased over the period by 23.7 percentage points, from 27.6 percent in 2005 to 51.3 percent in 2007. *Original Determination*, USITC Pub. 4019 at 13 n.81.

[57] *Original Determination*, USITC Pub. 4019 at 13-14.

In the expedited first reviews, the Commission found that the orders had a disciplining effect on the volume of subject imports, which was significantly lower since issuance of the orders in 2008. Subject imports totaled 3,778 short tons in 2012, compared with 748,181 short tons in 2007. The limited information on the record concerning the subject industry suggested that it had substantial unused capacity in 2007 and thus the ability to increase exports of subject merchandise to the United States upon revocation, in light of its large and increasing production and its export orientation.

The Commission also found that the subject industry had the incentive to increase such exports as the United States was the world's largest importer of circular welded pipe products. There were further incentives for subject producers to direct exports to the U.S. market because imports of circular welded pipe products from China were subject to antidumping duty orders in Australia, Canada, and the European Union.

Accordingly, the Commission found that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.[58]

2. The Current Reviews

We find that the subject import volume would likely be significant in the event of revocation of the orders. Subject imports maintained a continuous presence in the U.S. market throughout the current period of review, even under the disciplining effect of the orders. The record indicates that subject imports entered at higher, although fluctuating, levels since 2015, although they have remained well below the levels observed during the original investigations: subject imports totaled 5,044 short tons in 2013, 6,368 short tons in 2014, 24,012 short tons in 2015, 86,732 short tons in 2016, and 53,382 short tons in 2017.[59] Subject imports' market share by quantity was 2.0 percent in 2017.[60]

Several factors support the conclusion that subject producers in China have the ability and incentive to increase exports to the United States to significant levels within a reasonably foreseeable time if the orders were revoked.[61] The record indicates that the industry in China is export oriented and continues to be the world's largest exporter of circular welded pipe; in 2016, China accounted for 20.6 percent of global exports of circular welded pipe.[62] Available

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[58] *First Review Determination*, USITC Pub. 4435 at 12-13.

[59] CR/PR at Table I-6. By comparison, subject imports in 2005 were 382,122 short tons, the lowest annual subject import volume during the original POI. *See* CR/PR at C-1.

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

[61] The record contains only limited data concerning the CWP industry in China because no producer or exporter of subject merchandise participated in these reviews. Accordingly, we lack precise data as to capacity and production trends of the subject industry.

[62] CR at I-37 – I-38, PR at I-28 – I-29; Domestic Interested Parties' Response to the Notice of Institution at 12.

SSY data indicate that China remains the world's largest producer of welded tube, a broader product category that includes CWP.[63]

Moreover, available GTA data indicate that China exports welded pipe to markets worldwide; the United States was China's third largest export market in 2017, accounting for 4.8 percent of total export shipments.[64] The continued presence of subject imports in the U.S. market, as well as their sharply elevated levels during the latter portions of the period of review,[65] indicates that subject producers continue to have a strong interest in the U.S. market.[66] The Domestic Interested Parties argue, in this regard, that the United States remains an attractive market for imports of CWP from across the world.[67]

Finally, the record indicates that CWP from China is subject to antidumping and/or countervailing duty orders in other export markets, including Australia, Canada, the European Union, and Mexico.[68] These restrictions increase the attractiveness of the United States as an export destination if the orders are revoked.

Based on the above, in particular the continued and increasing presence of subject imports in the U.S. market even under the discipline of the orders, the size and export orientation of the subject industry, and the existence of third country trade remedy orders on CWP from China, we find that subject producers would likely increase their exports to the United States if the orders were revoked. Accordingly, based on the available information, we conclude that the volume of subject imports would likely be significant, both in absolute terms and relative to U.S. consumption, should the orders be revoked.[69]

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[63] CR/PR at Table I-9. While the record indicates that in recent years China has cut overall steel capacity by 115 million metric tons and closed 140 million metric tons of induction furnaces, CR at I-37, PR at I-28, it is not clear to what extent these developments affect the subject industry. We note, in this regard, that from 2013 to 2015, China increased production of welded tube by 30.1 percent, from 53.6 million metric tons (59.1 million short tons) to 69.7 million metric tons (76.8 million short tons). CR/PR at Table I-9.

[64] CR at I-38 – I-39, PR at I-28 – I-29. The Philippines and the United Kingdom were China's largest export markets. *Id*.

[65] CR at I-39, PR at I-29.

[66] This interest has persisted notwithstanding the imposition of Section 232 tariffs in March 2018. While the available data in the record indicate that, following imposition of these tariffs, monthly subject import volumes declined appreciably, subject imports continued to enter the U.S. market notwithstanding both the Section 232 tariffs and the orders under review. *See* Domestic Interested Parties' Response to Notice of Institution at Ex. 2.

[67] Domestic Interested Parties' Final Comments at 7.

[68] CR at I-39 and Table I-11, PR at I-30 and Table I-11.

[69] Because of the expedited nature of these reviews, the record does not contain information about inventories of the subject merchandise or the capacity of the subject producers for product shifting during the current period of review.

D. Likely Price Effects

1. The Prior Proceedings

In the original investigations, the Commission found that subject CWP imports had significant effects on prices for the domestic like product during the POI. Subject imports undersold the domestic product in all 96 quarterly pricing comparisons, by margins ranging from 4.3 to 56.0 percent. Prices for six of the eight domestically produced CWP products declined over the POI. Moreover, the domestic industry did not lower its prices in response to increased imports of subject CWP until 2007, at which point it was unable to regain market share or cover increased costs due to the increased volume of subject imports underselling the domestic like product. The Commission concluded that consistent and significant price underselling by subject imports led to significant price suppression of the domestic like product.[70]

The record in the expedited first reviews contained limited pricing data for the U.S. market. The available data showed that prices, which peaked in late 2008, generally trended downward during the review period. Given the substitutable nature of CWP, the importance of price in purchasing decisions, and the occurrence of underselling in every price comparison observed during the original investigations, the Commission found it likely that subject imports would undersell the domestic like product at high margins if the orders were revoked, causing domestic producers to cut prices or forego price increases to avoid losing sales. Accordingly, the Commission found that subject imports would likely have significant depressing or suppressing effects on the price of the domestic like product.[71]

2. The Current Reviews

As noted above, the limited record in these expedited reviews indicates that subject imports and the domestic like product are moderately high substitutes and that price continues to be an important factor in purchasing decisions. Due to their expedited nature, these reviews do not contain pricing data. We have found, however, that subject import volumes from China would likely increase to significant levels if the orders were revoked. In light of the likely subject import volumes, and the importance of price in purchasing decisions, subject producers would be likely to resume the aggressive pricing behavior observed in the original investigations, when there was underselling in every price comparison at high margins and subject imports were sold at low prices to gain market share. This in turn would likely cause domestic producers to cut prices or forego price increases to avoid losing sales. Accordingly, given the likely significant volume of subject imports, we conclude that the subject imports would likely engage in significant underselling of the domestic like product to gain market share and would likely have significant depressing or suppressing effects on the price of the domestic like product if the orders were revoked.

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[70] *Original Determination*, USITC Pub. 4019 at 14-15.

[71] *First Review Determination*, USITC Pub. 4435 at 14.

E. Likely Impact

1. The Prior Proceedings

In the original investigations, the Commission found a general decline in domestic industry profitability due largely to the significant price effects of subject imports. It observed that the domestic industry initially competed with subject imports in 2006 by sacrificing volume rather than lowering prices. From 2007 through the end of the POI, the domestic industry began to lower prices and therefore was unable to sustain operating margins, which declined from 2006 levels. Domestic capacity also fell steadily throughout the POI, due to mill closures. The Commission found that domestic production, capacity utilization, shipments, and market share decreased and increased irregularly, mirroring the domestic industry's shifting response to the presence of subject imports; while domestic sales volume rose by 5.1 percent over the POI, the value of domestic sales rose by only 2.9 percent. The Commission found that subject imports' absolute and relative volumes were significant, that they gained market share at the expense of the domestic industry, that they undersold the domestic like product, and that they suppressed prices, causing the domestic industry's financial performance to fall to its lowest level in 2007. The Commission consequently concluded that subject imports had a significant impact on the condition of the domestic industry during the POI.[72]

In the expedited first reviews, given the likely significant increase in the volume of subject imports and the resultant likely price effects if the orders were revoked, the Commission found that the domestic industry would likely experience declines in production, shipments, sales, market share, and revenues, with eventual losses in profitability, employment, and capital and research and development expenditures. The limited information on the record was insufficient for the Commission to determine whether the domestic industry was vulnerable. Nonetheless, the Commission concluded that revocation of the orders would likely have a significant impact on the domestic industry within a reasonably foreseeable time. The Commission also considered the role of nonsubject imports, whose volume and market share had increased since issuance of the orders. Given that the domestic industry was able to increase its market share notwithstanding the increase in nonsubject imports during the period reviewed, the Commission concluded that the presence of nonsubject imports would not preclude subject imports from taking substantial market share from the domestic industry if the orders were revoked.[73]

2. The Current Reviews

In these expedited reviews, the information available on the domestic industry's condition is limited. These data indicate that the domestic industry's trade and financial indicators have generally improved since the expedited first reviews. In 2017, the domestic industry's production capacity was 2,648,695 short tons, its production was 1,687,522 short

[72] *Original Determination*, USITC Pub. 4019 at 16-19.
[73] *First Review Determination*, USITC Pub. 4435 at 15-16.

tons, and its capacity utilization was 63.7 percent.[74] The domestic industry's U.S. shipments were 1,554,138 short tons,[75] accounting for a 58.4 percent share of apparent U.S. consumption by quantity.[76] Its net sales revenue was $1.4 billion, and its operating income was $170.3 million, equivalent to 11.8 percent of net sales.[77] The limited evidence in these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury should the orders be revoked.

We have found that revocation of the orders would likely lead to subject imports increasing to significant levels and that these imports would likely undersell the domestic like product to a significant degree, resulting in likely significant price depression or suppression of prices for the domestic like product and/or losses in the domestic industry's market share. We find that the increased subject import competition that would likely occur after revocation of the orders would likely have a significant impact on the domestic industry, which would likely lose market share or experience lower prices due to the lower-priced subject imports. This would likely lead to reduced production, shipments, sales, and/or revenue. These reductions would, in turn, likely have a direct adverse impact on the domestic industry's profitability and employment levels, ability to raise capital and maintain capital investments, and research and development expenditures.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Nonsubject imports have increased their presence in the U.S. market since the original investigations; their share of apparent U.S. consumption was 39.6 percent in 2017.[78] Nevertheless, because the domestic industry supplies the majority of the U.S. market and subject imports would likely compete head-to-head with the domestic like product upon revocation, the increase in subject imports would likely take market share from the domestic industry as well as from nonsubject imports. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports. Accordingly, we conclude that if the orders were to be revoked, subject imports would likely have a significant impact on domestic producers of CWP within a reasonably foreseeable time.

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[74] CR/PR at Table I-5. In the expedited first reviews, the domestic industry reported production capacity of *** short tons, production of *** short tons, and capacity utilization of *** percent. *Id*.

[75] CR/PR at Table I-5. In the expedited first reviews, the domestic industry reported U.S. shipments of *** short tons. *Id*.

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

[77] CR/PR at Table I-5. In the expedited first reviews, the domestic industry reported a net sales revenue of $*** and an operating income of $***, equivalent to *** percent of net sales. *Id*.

[78] CR/PR at Table I-8. Nonsubject imports' share of the quantity of apparent U.S. consumption peaked at 25.4 percent during the original POI. CR/PR at C-3.

IV. Conclusion

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

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On November 1, 2018, the U.S. International Trade Commission ("Commission") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted a review to determine whether revocation of antidumping and countervailing duty orders on circular welded carbon-quality steel pipe ("circular welded pipe" or "CWP") from China would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

Effective date	Action
November 1, 2018	Notice of institution by Commission
November 1, 2018	Notice of initiation by Commerce
March 11, 2019	Commission's vote on adequacy
March 25, 2019	Commerce's results of its expedited review of the countervailing duty order
April 16, 2019	Commerce's results of its expedited review of the antidumping duty order
June 14, 2019	Commission's determinations and views

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

[2] *Circular Welded Carbon-Quality Steel Pipe From China; Institution of Five-Year Reviews*, 83 FR 54936, November 1, 2018. In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. *Initiation of Five-Year (Sunset) Reviews*, 83 FR 54915, November 1, 2018. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission's website (www.usitc.gov).

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

[4] Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. The Commission did not receive responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

[5] Due to the lapse in appropriations and ensuing cessation of Commission operations, the Commission tolled statutory deadlines in this proceeding by 35 calendar days. Commerce has tolled its statutory deadlines by 40 calendar days.

RESPONSES TO THE COMMISSION'S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Bull Moose Tube Co.; EXLTUBE; Independence Tube Corp., a Nucor company; Southland Tube, Inc., a Nucor company; TMK IPSCO; Wheatland Tube Co.; and Zekelman Industries, domestic producers of circular welded pipe (collectively referred to herein as "domestic interested parties").

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

Table I-1
Circular welded pipe: Summary of responses to the Commission's notice of institution

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	80%[1]

[1] In their response to the notice of institution, domestic interested parties estimated that they accounted for this share of total U.S. production of circular welded pipe during 2017. Domestic interested parties have based their computation on their commercial and financial data and the data available in past Commission publications. Domestic interested parties' cure letter response to the notice of institution, December 18, 2018, pp. 2-3 and exh. S-1.

Party comments on adequacy

Domestic interested parties argued that the Commission should find the respondent interested party group response to be inadequate since there was no complete submission by any respondent interested party. In addition, there is no evidence of a change in the conditions of competition or the existence of other factors since the Commission's last five-year reviews. Therefore, they request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on circular welded pipe from China.[6]

[6] Domestic interested parties' comments on adequacy, February 19, 2019, p. 3.

THE ORIGINAL INVESTIGATIONS AND SUBSEQUENT REVIEWS

The original investigations

The original investigations resulted from petitions filed on June 7, 2007 with Commerce and the Commission by six U.S. producers and the United Steelworkers, Pittsburgh, Pennsylvania.[7] On June 5, 2008, Commerce determined that imports of circular welded pipe from China were being subsidized and sold at less than fair value ("LTFV").[8] The Commission determined on July 15, 2008 that the domestic industry was materially injured by reason of subsidized and LTFV imports of circular welded pipe from China.[9] On July 22, 2008, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 69.20 percent to 85.55 percent and net subsidy rates ranging from 29.62 percent to 616.83 percent.[10] Effective August 21, 2012, pursuant to proceedings under section 129 of the Uruguay Round Trade Agreements Act, Commerce revised its net countervailable subsidy rates, which ranged from 29.83 percent to 620.08 percent.[11]

The first five-year reviews

On September 6, 2013, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on circular welded pipe from China.[12] On October 2, 2013 and October 3, 2013, respectively, Commerce published its

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[7] The six petitioning producers were: Allied Tube & Conduit, Harvey, Illinois; IPSCO Tubulars, Inc, Camanche, Iowa; Northwest Pipe Co., Portland, Oregon; Sharon Tube Co., Sharon, Pennsylvania; Western Tube & Conduit Corp., Long Beach, California; and Wheatland Tube Co., Collingswood, New Jersey.

[8] *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances*, 73 FR 31966, June 5, 2008. *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China*, 73 FR 31970, June 5, 2008.

[9] *Circular Welded Carbon-Quality Steel Pipe from China*, 73 FR 42365, July 21, 2008.

[10] *Notice of Antidumping Duty Order: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China*, 73 FR 42547, July 22, 2008. *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 73 FR 42545, July 22, 2008.

[11] *Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act: Certain New Pneumatic Off-the-Road Tires; Circular Welded Carbon Quality Steel Pipe; Laminated Woven Sacks; and Light-Walled Rectangular Pipe and Tube From the People's Republic of China,* 77 FR 52683, August 30, 2012. The weighted-average dumping margins were unchanged. Ibid.

[12] *Scheduling of Expedited Five-Year Reviews Concerning the Countervailing Duty Order and the Antidumping Order on Circular Welded Carbon-Quality Steel Pipe From China,* 78 FR 59371, September 26, 2013.

determinations that revocation of the countervailing and antidumping duty orders on circular welded pipe from China would be likely to lead to continuation or recurrence of net countervailable subsidies and dumping.[13] On November 18, 2013, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.[14] Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective December 4, 2013, Commerce issued a continuation of the countervailing and antidumping duty orders on imports of circular welded pipe from China.[15]

PREVIOUS AND RELATED TITLE VII INVESTIGATIONS

The Commission has conducted a number of import relief investigations on circular welded nonalloy steel pipe or substantially similar merchandise. Table I-2 presents information regarding previous and related Title VII investigations.

[13] *Circular Welded Carbon-Quality Steel Pipe from the People's Republic of China: Finals Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 78 FR 60849, October 2, 2013. *Circular Welded Carbon-Quality Steel Pipe from the People's Republic of China: Finals Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 78 FR 61335, October 3, 2013.

[14] *Circular Welded Carbon-Quality Steel Pipe From China*, 78 FR 70069, November 22, 2013.

[15] *Circular Welded Carbon Quality Steel Pipe From the People's Republic of China: Continuation of Countervailing Duty Order*, 78 FR 72863, December 4, 2013. *Circular Welded Carbon-Quality Steel Pipe from the People's Republic of China: Continuation of Antidumping Duty Order*, 78 FR 72863, December 4, 2013.

Table I-2
Circular welded pipe: Previous and related title VII investigations

Product	Inv. no.	Year of petition	Country	Original determination	Current status of order
Circular welded pipe	701-TA-165	1982	Brazil	Terminated	(1)
	701-TA-166	1982	France	Terminated	(1)
	701-TA-167	1982	Italy	Negative (P)	(1)
	701-TA-168	1982	Korea	Affirmative	Order revoked by Commerce, 1985
	701-TA-169	1982	West Germany	Terminated	(1)
	731-TA-132	1983	Taiwan	Affirmative	Order continued, 2018
	701-TA-220	1984	Spain	Terminated	(1)
	731-TA-183	1984	Brazil	Terminated	(1)
	731-TA-197	1984	Brazil	Terminated	(1)
	731-TA-198	1984	Spain	Terminated	(1)
	701-TA-242	1985	Venezuela	Terminated	(1)
	701-TA-251	1985	India	ITA Negative	(1)
	701-TA-252	1985	Taiwan	ITA Negative	(1)
	701-TA-253	1985	Turkey	Affirmative	Order continued, 2018
	731-TA-211	1985	Taiwan	Negative	(1)
	731-TA-212	1985	Venezuela	Terminated	(1)
	731-TA-252	1985	Thailand	Affirmative	Order continued, 2018
	731-TA-253	1985	Venezuela	Terminated	(1)
	731-TA-271	1985	India	Affirmative	Order continued, 2018
	731-TA-273	1985	Turkey	Affirmative	Order continued, 2018
	731-TA-274	1985	Yugoslavia	Terminated	(1)
	731-TA-292	1986	China	Negative	(1)
	731-TA-293	1986	Philippines	Negative	(1)
	731-TA-294	1986	Singapore	Negative	(1)
	701-TA-311	1991	Brazil	ITA Negative	(1)
	731-TA-532	1991	Brazil	Affirmative	Order continued, 2018
	731-TA-533	1991	Korea	Affirmative	Order continued, 2018
	731-TA-534	1991	Mexico	Affirmative	Order continued, 2018
	731-TA-535	1991	Romania	Negative	(1)
	731-TA-536	1991	Taiwan	Affirmative	Order continued, 2018
	731-TA-537	1991	Venezuela	Affirmative	ITC negative, 2000 review
	731-TA-732	1995	Romania	Negative	(1)
	731-TA-733	1995	South Africa	Negative	(1)

Table continued on next page.

Table I-2—Continued
Circular welded pipe: Previous and related title VII investigations

Product	Inv. no.	Year of petition	Country	Original determination	Current status of order
Circular welded pipe	731-TA-943	2001	China	Negative	([1])
	731-TA-944	2001	Indonesia	Negative (P)	([1])
	731-TA-945	2001	Malaysia	Negative (P)	([1])
	731-TA-946	2001	Romania	Negative (P)	([1])
	731-TA-947	2001	South Africa	Negative (P)	([1])
	701-TA-447	2007	China	Affirmative	Order under review
	731-TA-1116	2007	China	Affirmative	Order under review
	701-TA-482	2011	India	Negative	([1])
	701-TA-483	2011	Oman	Negative	([1])
	701-TA-484	2011	United Arab Emirates	Negative	([1])
	701-TA-485	2011	Vietnam	ITA Negative	([1])
	731-TA-1191	2011	India	Negative	([1])
	731-TA-1192	2011	Oman	Negative	([1])
	731-TA-1193	2011	United Arab Emirates	Negative	([1])
	731-TA-1194	2011	Vietnam	Negative	([1])
	701-TA-549	2015	Pakistan	Negative	([1])
	731-TA-1299	2015	Oman	Affirmative	Order issued, 2016
	731-TA-1300	2015	Pakistan	Affirmative	Order issued, 2016
	731-TA-1301	2015	Philippines	Terminated	([1])
	731-TA-1302	2015	United Arab Emirates	Affirmative	Order issued, 2016
	731-TA-1303	2015	Vietnam	Negative	([1])

[1] Not applicable.

Source: *Circular Welded Carbon-Quality Steel Pipe from China*, *Inv. Nos. 701-TA-447 and 731-TA-1116 (Final),* USITC Publication 4435, November 2013; *Certain Circular Welded Pipe and Tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey*, *Investigation Nos. 701-TA-253 and 731-TA-132, 252,271, 273, 532-534 and 536 (Third Review)*, USITC Publication 4333, June 2012; *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, *Investigation Nos. 701-TA-482-485 and 731-TA-1191-1194 (Final),* USITC Publication 4362, December 2012; *Circular Welded Carbon-Quality Steel Pipe from Oman, Pakistan, the United Arab Emirates, and Vietnam, Investigation Nos. 701-TA-549 and 731-TA-1299, 1300, 1302, and 1303 (Final)*, USITC Publication 4651, December 2016.

PREVIOUS AND RELATED SAFEGUARD INVESTIGATIONS

In response to a January 24, 1984 petition filed by Bethlehem Steel Corp. and the United Steelworkers of America, the Commission conducted an investigation pursuant to section 201 of the Trade Act of 1974 regarding imports of a wide range of carbon and certain alloy steel products, including carbon and alloy steel ingots, blooms, billets, slabs, and sheet bars; plates; sheets and strip; wire rods; wire and wire products; railway-type products; bars; structural

shapes and units; and pipes and tubes and blanks.[16] The Commission made affirmative determinations with respect to 5 of the 9 investigated products, and the Commission majority recommended various relief measures.[17] On September 18, 1984, the President announced that he would not implement the remedies proposed by the Commission as they were not "in the national economic interest," but instead, as part of a 9-point plan to assist the domestic steel industry to compete with imports, he recommended the negotiation of voluntary restraint agreements ("VRAs") with trading partners to address unfair surges in imports of steel products.[18] Between October 1, 1984, and March 31, 1992, the United States limited imports into the U.S. market of non-alloy carbon steel products from the European Union and 19 other sources through voluntary restraint agreements ("VRAs").[19]

In a 2001 safeguard investigation, the Commission determined that certain carbon and alloy steel welded tubular products other than oil country tubular goods (including circular welded pipe as defined in the current proceeding) were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing such articles, and recommended a tariff-rate quota decreasing from 20 percent to 11 percent over four years.[20] On March 5, 2002, the President announced the implementation of steel safeguard measures. Import relief relating to welded tubular products (other than oil country tubular goods) consisted of an additional tariff for a period of three years and one day (15 percent ad valorem on imports in the first year, 12 percent in the second year, and 9 percent in the third year).[21] Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, the President determined that the effectiveness of the safeguard measures were impaired by changed circumstances. Therefore, he terminated the measure with respect to increased tariffs on December 4, 2003.[22] On March 21, 2005, the Commission instituted an investigation pursuant to section 204(d) of the Trade Act of 1974 to

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[16] *Carbon and Certain Alloy Steel Products, Inv. TA-201-51*, USITC Publication 1553, July 1984.

[17] *Carbon and Certain Alloy Steel Products, Inv. TA-201-51*, USITC Publication 1553, July 1984.

[18] 49 FR 36813, September 20, 1984 (President's Memorandum).

[19] *Certain Circular, Welded, Non-Alloy Steel Pipes and Tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, Inv. Nos. 731-TA-532-537 (Final),* USITC Publication 2564, October 1992, p. I-48. Although there was no VRA with Taiwan, Taiwan established a voluntary unilateral restraint on its steel exports to the United States through an exchange of letters between the Coordination Council for North American Affairs and the American Institute in Taiwan.

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

[21] *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

[22] *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

evaluate the effectiveness of the relief action imposed by President Bush on imports of certain steel products. The Commission's report on the evaluation was transmitted to the President and the Congress on September 19, 2005.

In 2005, the Commission conducted a China-specific safeguard investigation on circular welded nonalloy steel pipe (Inv. No. TA-421-6). Following the Commission's affirmative determination of market disruption and remedy recommendations, the President issued a proclamation on December 30, 2005, determining not to impose temporary import relief.[23]

Section 232 investigations

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),[24] to assess the impact of steel imports on the national security of the United States.[25] Commerce submitted the results of the investigations to the President on January 11, 2018.[26] 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.[27]

On March 8, 2018, the President announced his decision to impose 25 percent ad valorem duties on all steel mill products (including circular welded pipe) from all U.S. trading

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[23] *Presidential Proclamation 2006-7 of December 30, 2005, Presidential Determination on Imports of Circular Welded Non-Alloy Steel Pipe from the People's Republic of China*, 71 FR 871, January 6, 2006.

[24] Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862) authorizes the Secretary of Commerce to conduct these investigations.

[25] 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.

[26] 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.

[27] 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.

partners except Canada and Mexico.[28] [29] 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.[30] 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.[31] The President also announced the exemptions were extended permanently for South Korea in return for agreeing to product-specific quotas beginning on January 1, 2019.[32] Exemptions for Argentina, Australia, and Brazil were also extended until alternative means could be finalized.[33]

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 would be subject to a 25 percent ad valorem duty.[34]

A subsequent Presidential proclamation established absolute quotas for steel mill articles from Argentina, Brazil, and Korea as an alternate to the 25 percent ad valorem duty, effective June 1, 2018, (leaving Australia as the only country exempt from both the tariff and

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[28] *Presidential Proclamation 9705 of March 8, 2018, Adjusting Imports of Steel Into the United States*, 81 FR 11625, March 15, 2018.

[29] 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. Circular welded pipe is imported under statistical reporting numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090, and are subject to this proclamation.

[30] *Presidential Proclamation 9711 of March 22, 2018*, *Adjusting Imports of Steel Into the United States*, 83 FR 13361, March 28, 2018.

[31] *Presidential Proclamation 9740 of April 30, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 20683, May 7, 2018.

[32] *Presidential Proclamation 9740 of April 30, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 20683, May 7, 2018.

[33] *Presidential Proclamation 9740 of April 30, 2018, Adjusting Imports of Steel Into the United States*, 83 FR 20683, May 7, 2018.

[34] *Presidential Proclamation 9759 of May 31, 2018, Adjusting Imports of Steel into the United States*, 83 FR 25857, June 5, 2018.

quota).[35] [36] On August 10, 2018, the President authorized adjusting the ad valorem tariff on steel imports from Turkey from 25 percent to 50 percent.[37]

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. [38] 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.[39] The product exclusion process does not apply to imports from countries that have a quota rather than the tariff.[40] 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 Belgium, China, Germany, Japan, and Sweden. The exempted products were not specified.

ACTIONS AT COMMERCE

Commerce has not conducted any changed circumstances reviews, critical circumstances reviews, or issued anti-circumvention findings, since the completion of the last five-year reviews. In addition, Commerce has not issued any duty absorption findings or any company revocations since the imposition of the orders.

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[35] 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.

[36] 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.

[37] Presidential Proclamation 9772 of August 10, 2018, Adjusting Imports of Steel Into the United States, 83 FR 40429, August 15, 2018.

[38] *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.

[39] *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 Contd. from page 12: the United States; and the Filing Objections to Submitted Exclusion request for Steel and Aluminum,* 83 FR 12106, March 19, 2018.

[40] *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.

Scope rulings

Commerce has ruled on several scope rulings on circular welded pipe. Table I-3 presents information regarding these scope rulings since the imposition of the orders.

Table I-3

Circular welded pipe: Commerce's scope rulings

Requestor	Product to be excluded	Commerce ruling	*Federal Register* cite
Constantine N. Polites and Company	Unfinished scaffolding pipe.	Denied	75 FR 14138 March 24, 2010
Tubos California	Steel pipes used in water delivery systems, water and sewer purification systems and/or water filtration systems.	Denied	75 FR 14138 March 24, 2010
All Tools Inc.	Electrical rigid metal conduit steel and electrical metallix tubing.	Granted	77 FR 52313 May 21, 2012
LDA Incopordo	Electrical rigid metal steel conduits.	Granted	78 FR 9370 February 8, 2013
Cintube Ltd.	Cintube's 45° and 90° bend pipes, which are Chinese-origin pipes further processed and heat treated in Canada to create bends at various angles.	Granted	79 FR 30821 May 29, 2014
Unique Fire Stop Products Inc.	Smooth Fire Stop Sleeve System products.	Granted	80 FR 57339 September 23, 2015
Westlake Vinyls Company	The component parts of Westlake's engineered and manufactured pipe spools that are produced in China and imported by Westlake.	Denied	82 FR 48799 October 20, 2017
Acme Manufacturing Company	Acme's short round tubes.	Denied	83 FR 31733 July 9, 2018

Source: Cited *Federal Register* notices.

Current five-year reviews

Commerce is conducting expedited reviews with respect to circular welded pipe from China and intends to issue the final results of these reviews based on the facts available not later than April 10, 2019.[41]

[41] *Letter from James C. Doyle, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Director of Investigations*, December 18, 2018. Due to the lapse in appropriations, Commerce has tolled its statutory deadlines by 40 calendar days. See *Memorandum from Gary Taverman, Deputy Assistant Secretary for AD/CVD Operations, "Deadlines Affected by the Partial Shutdown of the Federal Government*, January 28, 2019.

THE PRODUCT

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

…certain welded carbon quality steel pipes and tubes, of circular cross- section, and with an outside diameter of 0.372 inches (9.45 mm) or more, but not more than 16 inches (406.4 mm), whether or not stenciled, regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (e.g., plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., ASTM, proprietary, or other), generally known as standard pipe and structural pipe (they may also be referred to as circular, structural, or mechanical tubing).

Specifically, the term ''carbon quality'' includes products in which (a) iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated: (i) 1.80 percent of manganese; (ii) 2.25 percent of silicon; (iii) 1.00 percent of copper; (iv) 0.50 percent of aluminum; (v) 1.25 percent of chromium; (vi) 0.30 percent of cobalt; (vii) 0.40 percent of lead; (viii) 1.25 percent of nickel; (ix) 0.30 percent of tungsten; (x) 0.15 percent of molybdenum; (xi) 0.10 percent of niobium; (xii) 0.41 percent of titanium; (xiii) 0.15 percent of vanadium; or (xiv) 0.15 percent of zirconium.

Standard pipe is made primarily to American Society for Testing and Materials (''ASTM'') specifications, but can be made to other specifications. Standard pipe is made primarily to ASTM specifications A–53, A–135, and A–795. Structural pipe is made primarily to ASTM specifications A–252 and A–500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. This is often the case, for example, with fence tubing. Pipe multiple-stenciled to a standard and/or structural specification and to any other specification, such as the American Petroleum Institute ("API") API–5L specification, is also covered by the scope of this investigation when it meets the physical description set forth above and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish.

The scope does not include: (a) pipe suitable for use in boilers, superheaters, heat exchangers, condensers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) mechanical tubing, whether or not cold-drawn; (c) finished electrical conduit; (d) finished scaffolding; (e) tube and pipe hollows for redrawing; (f) oil country tubular goods produced to API specifications; and (g) line pipe produced to only API specifications.

The pipe products that are the subject of this investigation are currently classifiable in HTSUS statistical reporting numbers 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90, 7306.50.10.00, 7306.50.50.50, 7306.50.50.70, 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. However, the product description, and not the Harmonized Tariff Schedule of the United States ("HTSUS") classification, is dispositive of whether merchandise imported into the United States falls within the scope of the investigation.[42]

U.S. tariff treatment

The pipe products that are the subject of these reviews are currently imported under the following Harmonized Tariff Schedule of the United States ("HTSUS") statistical reporting numbers: 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

Under certain circumstances, circular welded pipe as defined above might also be imported into the United States under HTS statistical reporting numbers that cover a broader range of tubular products:

- API-stenciled tubular products that are multiple-stenciled to standard/structural specifications and meet the physical descriptions provided above—7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150.
- Micro-alloy steel standard/structural/fence/sprinkler tubular products (i.e., those that exceed the chemistry specifications for non-alloy steel pipe but do not exceed the chemistry specifications provided in Commerce's scope)—7306.50.1000, 7306.50.5050, and 7306.50.5070.

The column 1-general (most-favored nation) rate of duty is free for the tariff rate lines superior to these statistical reporting numbers, applicable to the circular welded pipe subject to these reviews.[43] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[42] *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Continuation of Countervailing Duty Order*, 78 FR 72869, December 4, 2013; and *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Continuation of Antidumping Duty Order*, 78 FR 72863, December 4, 2013.

[43] The product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States is included in the scope of the reviews.

Sections 232 and 301 tariff treatment

HTS subheadings 7306.30.10 and 7306.30.50 were included in the enumeration of the 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.[44] See U.S. notes 16(a) and 16(b), subchapter III of chapter 99.[45]

Under Section 301 of the *Trade Act of 1974,* these HTS subheadings are not among the products imported from China that are subject to an additional 25 percent ad valorem duty (annexes A and B of 83 FR 28710[46] and annexes A and B of 83 FR 40823[47]) or to an additional 10 percent ad valorem duty, to rise to 25 percent ad valorem (annexes A and C of 83 FR 47974) on January 1, 2019 (annex B of 83 FR 47974)[48]. See U.S. notes 20(a) and 20(b),[49] 20(c) and 20(d),[50] and 20(e) and 20(f)[51] to subchapter III of chapter 99.[52]

Description and uses[53]

Steel pipes and tubes[54] are produced in various grades of carbon, alloy, or stainless steel. Tubular products frequently are distinguished by the following six end uses as defined by the American Iron and Steel Institute ("AISI").

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[44] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

[45] *HTSUS (2019) Basic Edition*, USITC Publication No. 4862, January 2019, pp. 99-III-5– 99-III-6, 99-III-65.

[46] *Notice of Action and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 28710, June 20, 2018.

[47] *Notice of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 40823, August 16, 2018.

[48] *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.

[49] *HTSUS (2019) Basic Edition*, USITC Publication No. 4862, January 2019, pp. 99-III-13 – 99-III-14.

[50] *HTSUS (2019) Basic Edition*, USITC Publication No. 4862, January 2019, pp. 99-III-18 – 99-III-19.

[51] *HTSUS (2019) Basic Edition*, USITC Publication No. 4862, January 2019, pp. 99-III-21 – 99-III-22.

[52] *HTSUS (2019) Basic Edition*, USITC Publication No. 4862, January 2019, pp. 99-III-70 – 99-III-71.

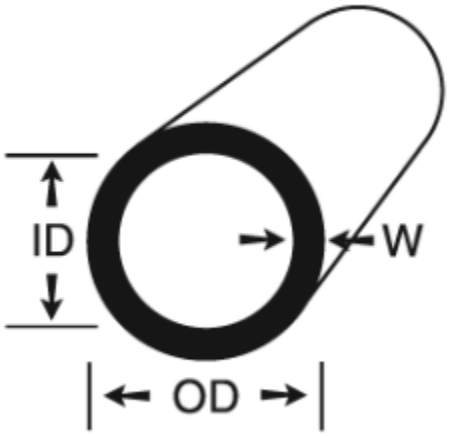
[53] Unless otherwise noted this information is based on *Circular Welded Carbon-Quality Steel Pipe from China*, Inv. Nos. 701-TA-447 and 731-TA-1116 (Review), USITC Publication 4435, November 2013; *Circular Welded Carbon-Quality Steel Pipe from Oman, Pakistan, the United Arab Emirates, and Vietnam*, *Investigation Nos. 701-TA-549 and 731-TA-1299, 1300, 1302, and 1303 (Final)*, USITC Publication 4651, December 2016; and *Certain Circular Welded Pipe and Tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, Investigation Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 532-534 and 536 (Fourth Review)*, USITC Publication 4754, January 2018.

[54] Pipe dimensions (e.g., outside diameter ("O.D.") and wall thickness) are standardized while tube dimensions are design-specific. The HTS generally makes no distinction between pipes and tubes.

- **Standard pipe** is ordinarily used for low-pressure conveyance of air, steam, gas, water, oil, or other fluids for mechanical applications. It is used primarily in machinery, buildings, sprinkler systems, irrigation systems and water wells rather than in pipe lines or utility distribution systems. It may carry fluids at elevated temperatures, which are not subject to external heat applications. It is usually produced in standard diameters and wall thicknesses to ASTM specifications.
- **Line pipe** is used for transportation of gas, oil, or water in a pipeline or utility distribution system. It is produced to API-5L and American Water Works Association ("AWWA") specifications.
- **Structural pipe and tubing** is welded or seamless pipe and tubing 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, and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications in round, square, rectangular, or other cross-sectional shapes.
- **Mechanical tubing** is welded or seamless tubing produced in a large number of shapes of varied chemical composition in sizes 3/16 inch to 10¾ inches O.D. inclusive for carbon and alloy material. It is not normally produced to meet any specification other than that required to meet the end use. It is produced to meet exact O.D. and decimal wall thickness.
- **Pressure tubing** is used to convey fluids at elevated temperatures or pressures, or both, and is suitable to be subjected to heat applications. It is produced to exact O.D. and decimal wall thickness in sizes ½ inch to 6 inches O.D. inclusive, usually to specifications such as ASTM.
- **Oil country tubular goods** ("OCTG") are pipe produced to API specifications and used in wells in oil and gas industries
    - *Casing* is the structural retainer for the walls of oil or gas wells and covers sizes 4½ to 20 inches O.D. inclusive.
    - *Tubing* is used within casing oil wells to convey oil to ground level and ordinarily includes sizes 1.050 to 4.500 inches O.D. inclusive.
    - *Drill pipe* is used to transmit power to a rotary drilling tool below ground level and covers sizes 2¼ to 6¾ inches O.D. inclusive.

Standard pipe of non-alloy steel with an outside diameter of 0.372 (9.45 mm) inches or more, but not more than 16 inches (406.4 mm), is the primary product within the scope of these investigations (*see* figure I-1). As noted earlier, standard pipe is intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may carry liquids at elevated temperatures but may not be subject to the application of external heat. It is made primarily to ASTM A-53, A-135, and A-795 specifications, but can also be made to other specifications, such as British Standard 1387. Since these standards often specify required engineering characteristics that overlap, a pipe can also be dual stenciled, signifying compliance with two different specifications.

Figure I-1
Circular welded pipe: Cross section of welded pipe showing inside diameter "ID", outside diameter "OD", and wall thickness "W"



Source: Onlinemetals.com, https://www.onlinemetals.com/merchant.cfm?id=1254&step=2, retrieved December 20, 2018.

In addition, circular welded pipe is used for structural applications in general construction. As noted earlier, 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, and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications. These products also are manufactured primarily to standard ASTM specifications (such as A-500 or A-252),[55] as well as American Society of Mechanical Engineers ("ASME") specifications.

Other uses of circular welded pipe include light load-bearing and mechanical applications, such as for fence tubing; scaffolding components; and protection of electrical wiring, such as conduit shells. Fence tubing is commonly produced to ASTM specification F-1083, which covers hot-dipped galvanized welded steel pipe used for fence structures.

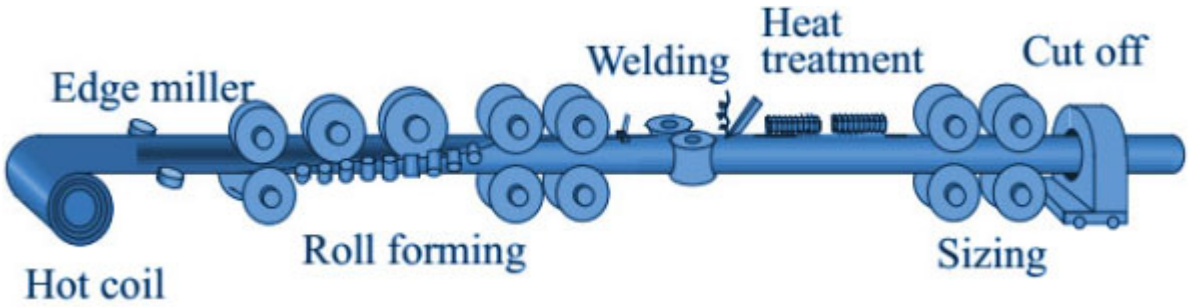
Standard pipe used in light load-bearing, mechanical, and structural applications may be galvanized (zinc-coated by dipping in molten zinc), lacquered (black finish), or painted (black) to provide corrosion resistance, which is important for storage in humid conditions or for ocean transport. End finishes include plain end, which may be either cut, or beveled suitable for welding, or include threaded ends, or threaded or coupled, as well as other special end finishes. Pipe with threaded ends is usually provided "threaded and coupled," meaning that a coupling is attached to one end of each length of pipe.

[55] ASTM specification A-500 is applicable to common structural tubular products for above-ground use, while ASTM specification A-252 applies to piling pipe, which is typically filled with concrete and used as a permanent load-carrying member below ground in foundation work.

Manufacturing process[56]

Circular welded pipes subject to these reviews are manufactured by either the electric resistance-welding ("ERW") process or the continuous-welding ("CW") process. The ERW process is a cold-forming process. The raw material input is steel sheet which has been slit into strips of appropriate width that will equal the diameter of the pipe to be welded. The strips, or "skelp," are formed into a tubular shape by passing it through a series of rollers, which provide the initial shaping into round form, as well as guidance into the welding section (*see* figure I-2). ERW is limited by the coil width and is accordingly suitable for thinner walled and smaller diameter pipes.[57]

Figure I-2
Circular welded pipe: Operations to make ERW tubes from steel strip



Source: The Process Piping, https://www.theprocesspiping.com/introduction-to-welded-pipe-manufacturing, retrieved December 20, 2018.

After the strips have been formed to a tubular shape, the edges are heated by electrical resistance and welded by a combination of heat and pressure. The welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on both the inside and outside of the tube. While still in the continuous processing line, the tube is then subjected to post-weld heat treatment, as required. This may involve heat treatment of the welded seam only, or treatment of the entire pipe. After heat treatment, sizing rolls shape the tube to the accurate diameter. The product is cooled and then cut at the end of the tube mill by a flying shear or saw, which is synchronized with the tube's movement.

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[56] Unless otherwise noted this information is based on *Circular Welded Carbon-Quality Steel Pipe from China*, Inv. Nos. 701-TA-447 and 731-TA-1116 (Review), USITC Publication 4435, November 2013; *Circular Welded Carbon-Quality Steel Pipe from Oman, Pakistan, the United Arab Emirates, and Vietnam, Investigation Nos. 701-TA-549 and 731-TA-1299, 1300, 1302, and 1303 (Final)*, USITC Publication 4651, December 2016; and *Certain Circular Welded Pipe and Tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, Investigation Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 532-534 and 536 (Fourth Review)*, USITC Publication 4754, January 2018.

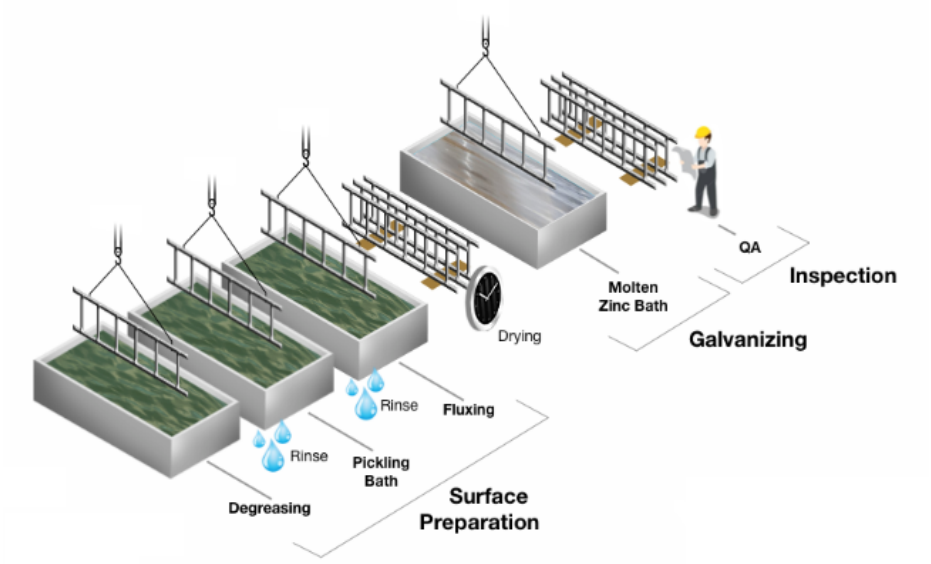
[57] "Difference between Seamless and ERW Stainless Steel Pipe," Pearlite Steel, *http://pearlitesteel.com/erw-stainless-steel-pipe-manufacturer-from-india/*, retrieved January 28, 2019.

In the CW process, the entire strip is heated to approximately 2,450 degrees Fahrenheit in a gas-fired, continuous furnace. As the strip leaves the furnace, a blower is normally furnished to provide a blast of hot air to raise the temperature of the edges to approximately 2,600 degrees Fahrenheit for welding. The strip is formed into tubular shape by a series of rollers, and the edges are butted together under pressure to form the weld. While still hot, a "mother" tube may be processed through a stretch reduction mill, which heats and stretches the tube to produce pipe of various smaller diameters and thinner wall thicknesses. The continuous tube is then cut into predetermined lengths by a flying saw or shear. The CW method can be used to produce pipe up to 4.5 inches in O.D.

Use of a stretch mill can be advantageous because it allows the company to produce a single diameter and wall thickness of mother tubes on its ERW or CW mill—allowing these operations to run more efficiently—while still producing other pipe sizes on the stretch reduction mill.

Finishing operations on standard pipe and tube may include hydrostatic testing, oiling, and galvanizing. The process of galvanizing involves the application of a zinc coating to steel pipe for protection from atmospheric corrosion. In a hot-dip process of galvanizing, cut lengths of steel pipe are dipped in a bath of molten zinc maintained at a temperature of 820 to 860 degrees Fahrenheit (*see* figure I-3). The combination of the temperature of both the zinc and the steel, as well as the immersion time within the zinc bath, determine the thickness of the coating. The zinc coating may be applied to the outside only, or both the inside and outside of the steel pipe, depending on end-use application and industry specification. In a continuous galvanizing process, the zinc coating may be applied to the outside of the pipe before the steel pipe is cut to length by passing it through a bath of molten zinc. End finishing may include square cutting, beveling, threading, or grooving. Threaded pipe may be furnished "threaded or coupled," in which case both ends of each length of pipe are threaded and a threaded coupling is applied to one end.

Figure I-3
Circular welded pipe: The galvanization process



Source: Saferack.com, https://www.saferack.com/what-is-galvanizing/, retrieved December 20, 2018.

THE INDUSTRY IN THE UNITED STATES

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from 21 firms, which accounted for more than 90 percent of production of circular welded pipe in the United States during 2007.[58]

During the first five-year reviews, the Commission received U.S. producer responses to the notice of institution from 8 firms, which accounted for approximately *** percent of production of circular welded pipe in the United States during 2012.[59]

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of 10 known and currently operating U.S. producers of circular welded pipe.[60]

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[58] *Circular Welded Carbon-Quality Steel Pipe from China, Inv. Nos. 701-TA-447 and 731-A-1116 (Final),* USITC Publication 4019, July 2008, p. III-1.

[59] *Investigation Nos. 701-TA-447 and 731-TA-1116 (Review): Circular Welded Carbon-Quality Steel Pipe from China—Staff Report*, INV-LL-078, October 18, 2013, p. I-28.

[60] Domestic interested parties' response to the notice of institution, December 3, 2018, p. 1 and p. 15-16.

Recent developments

Since the Commission's last five-year reviews, the following developments have occurred in the circular welded pipe industry:

Table I-4
Circular welded pipe: Important industry events, 2013-17

Year	Company	Event
2013	TMK IPSCO	**Acquisition:** TMK IPSCO acquires the pipe services and precision manufacturing assets of International Tubular Services Limited. The acquisition includes a manufacturing facility located near Houston, Texas.
2014	TMK IPSCO	**Production reduction:** TMK IPSCO announces a 30 percent reduction in the number of operating hours it uses to produce welded pipe at its facilities in Blytheville, Arkansas; Camanche, Iowa; and Wilder, Kentucky. **New labor agreement:** TMK IPSCO announces an agreement with union members at its Koppel and Ambridge, Pennsylvania facilities. The agreement was expected to remain in effect through November 1, 2018.
2015	Wheatland Tube Co.	**Furlough/operations idled**: Wheatland Tube Co. announces that it will indefinitely idle its Sharon, Pennsylvania hot mill operations and lay off 100 workers.
	Allied Tube & Conduit Corporation	**Closure:** Allied Tube & Conduit Corporation announces that it would cease production of steel fence framework and sprinkler pipe products as of October 5, 2015, and permanently exit these markets. The company planned to close its Philadelphia, Pennsylvania operations after transferring remaining production to other facilities owned by its parent company, Atkore International Group Inc. The company will also close operations at its facilities in Harvey, Illinois and Phoenix, Arizona. These actions are expected to result in 317 positions being eliminated.
2016	Zekelman Industries Inc.	**Name change:** JMC Steel Group changes its name to Zekelman Industries Inc. **Acquisition:** Zekelman enters into a definitive agreement to purchase Western Tube and Conduit Corporation.
	Nucor	**Acquisition:** Nucor acquires Independence Tube Corporation for an estimated $435 million. Nucor's tubular products include standard pipe, and hollow structural sections.
	Nucor	**Acquisition:** Nucor acquires Southland Tube an independent manufacturer of hollow structural section steel tubing. Southland Tube has one facility located in Birmingham, Alabama.
2017	Zekelman Industries Inc./American Tube Manufacturing Inc.	**Acquisition:** Zekelman Industries acquires American Tube Manufacturing, Inc, a producer of hollow structural sections and piling. **Acquisition:** Zekelman Industries completes acquisition of Western Tube & Conduit Corporation.

Notes continued on next page.

Source: Bizjournals.com, "TMK Acquires Pipe Services Assets in Houston," April 9, 2013, https://www.bizjournals.com/houston/news/2013/04/09/tmk-acquires-more-houston-pipe.html, retrieved December 6, 2018; Businesswire.com, "TMK IPSCO to Reduce Operating Hours at Three Welded Pipe Facilities," April 7, 2014, https://www.businesswire.com/news/home/20140407005152/en/TMK-IPSCO-Reduce-Operating-Hours-Welded-Pipe, retrieved December 6, 2018; Bussinesswire.com, "TMK IPSCO's Koppel and Ambridge, Pennsylvania Plants Ratify New Labor Agreement," June 23, 2014, https://www.businesswire.com/news/home/20140623006093/en/TMK-IPSCO's-Koppel-Ambridge-Pennsylvania-Plants-Ratify, retrieved December 6, 2018; The Herald, "100 Furloughed at Wheatland Tube," June 27, 2015, http://www.sharonherald.com/news/furloughed-at-wheatland-tube/article_402e35f4-d70b-50f3-9053-36fbbaa285c3.html, retrieved December 6 , 2018; Atkore International "Atkore international announces exit from fence and sprinkler businesses," August 6, 2015, http://www.atkore.com/news/atkore-international-announces-exit-from-fence-and-sprinkler-businesses/, retrieved December 6, 2018; Zekelman Industries, "JMC Steel Group Changes Name to Zekelman Industries Inc." June 6, 2016 https://www.zekelman.com/zekelman-perspective/jmc-steel-group-changes-name-to-zekelman-industries-inc/, retrieved December 6, 2018; Zekelman Industries, "Zekelman Industries to Acquire Western Tube and Conduit Corporation," December 6, 2016, http://www.zekelman.com/press-release/zekelman-industries/zekelman-industries-to-acquire-western-tube-conduit-corporation, retrieved December 6 ,2018; Marketwatch.com, "Nucor Completes Acquisition of Independence Tube Corporation" November 1, 2016, https://www.marketwatch.com/press-release/nucor-completes-acquisition-of-independence-tube-corporation-2016-11-01, retrieved December 6 ,2018; PR Newswire, "Nucor to Acquire Southland Tube" December 6, 2016, https://www.nucortubular.com/wp-content/uploads/2016/12/Nucor-to-Acquire-Southland-Tube-1.pdf, retrieved December 6 ,2018; Zekelman Industries, "Zekelman Industries acquires American Tube Manufacturing, Inc.," March 21, 2017, http://www.zekelman.com/press-release/zekelman-industries/zekelman-industries-acquires-american-tube-manufacturing-inc, retrieved December 6, 2018.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year reviews.[61] Table I-5 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations and prior five-year reviews.

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

Table I-5
Circular welded pipe: U.S. producers' trade and financial data, 2007, 2012, and 2017

Item	2007	2012	2017
Capacity (short tons)	2,219,300	***	2,648,695
Production (short tons)	1,457,128	***	1,687,522
Capacity utilization (percent)	65.7	***	63.7
Commercial shipments:			
Quantity (short tons)	1,290,750	([1])	***
Value ($1,000)	1,216,815	([1])	***
Unit value (per short ton)	943	([1])	***
Internal consumption :			
Quantity (short tons)	54,327	([1])	***
Value ($1,000)	51,549	([1])	***
Unit value (per short ton)	949	([1])	***
Transfers to related firms:			
Quantity (short tons)	77,590	([1])	***
Value ($1,000)	82,427	([1])	***
Unit value (per short ton)	941	([1])	***
Total U.S. shipments:			
Quantity (short tons)	1,422,667	***	1,554,138
Value ($1,000)	1,350,791	***	1,437,596
Unit value (per short ton)	949	***	1,081
Net sales ($1,000)	1,373,678	***	1,443,892
COGS ($1,000)	1,225,209	***	1,174,097
COGS/net sales	89.2	***	81.3
Gross profit or (loss) ($1,000)	148,469	***	269,795
SG&A expenses (loss) ($1,000)	86,933	***	99,533
Operating income/(loss) ($1,000)	61,536	***	170,262
Operating income (loss)/net sales (percent)	4.5	***	11.8

[1] Not available.

Source: For the years 2007 and 2012, data are compiled using data submitted in the Commission's original investigations and first five-year reviews. See app. C. For the year 2017, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, December 3, 2018, Exhibit 1; and domestic interested parties' cure letter response to the notice of institution, December 18, 2018, exh. S-1.

DEFINITIONS OF THE DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product

constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if "appropriate circumstances" exist.[62]

In its original and expedited first five-year review determinations, the Commission defined the domestic like product as circular welded carbon-quality steel pipe, coextensive with Commerce's scope.[63]

In its original and prior five-year review determinations, the Commission defined the domestic industry as consisting of all U.S. producers of the domestic like product.[64] In the original investigations, the Commission considered whether to treat two domestic producers that imported subject merchandise during the period of investigation as related parties. It found that neither of these producers was a related party.[65] There were no related party issues in the first reviews.

In its notice of institution for these second reviews, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definitions of the domestic like product and domestic industry and inquired as to whether any related parties issues existed. According to their response to the notice of institution, the domestic interested parties agreed with the Commission's definitions of the domestic like product and domestic industry as stated in the Commission's notice of institution and final determinations.[66] The domestic interested parties stated that they are not related to any Chinese producers of subject merchandise and do not import the subject merchandise.[67]

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 26 firms, which accounted for approximately 82.6 percent of total U.S. imports of circular welded pipe from China during 2007.[68]

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

[63] *Circular Welded Carbon-Quality Steel Pipe from China, Inv. Nos. 701-TA-447 and 731-A-1116 (Final)*, USITC Publication 4019, July 2008, p. 9; *Circular Welded Carbon-Quality Steel Pipe from China, Inv. Nos. 701-TA-447 and 731-A-1116 (Review)*, USITC Publication 4435, December 2013, p. 6.

[64] *Circular Welded Carbon-Quality Steel Pipe from China, Inv. No. 701-TA-447 and 731-A-1116 (Final)*, USITC Publication 4019, July 2008, p. 9; *Circular Welded Carbon-Quality Steel Pipe from China, Inv. No. 701-TA-447 and 731-A-1116 (Review)*, USITC Publication 4435, December 2013, pp. 6-7.

[65] *Circular Welded Carbon-Quality Steel Pipe from China, Inv. No. 701-TA-447 and 731-A-1116 (Final)*, USITC Publication 4019, July 2008, p. 10

[66] Domestic interested parties' response to the notice of institution, December 3, 2018, p. 17.

[67] Domestic interested parties' response to the notice of institution, December 3, 2018, p. 16.

[68] *Circular Welded Carbon-Quality Steel Pipe from China, inv. Nos. 701-TA-447 and 731-TA-1116 (Final)*, USITC Publication 4019, July 2008, pp. IV-1 to IV-2.

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties identified three possible U.S. importers of circular welded pipe in addition to the original 32 identified by the Commission.[69]

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties suggested that the number of U.S. importers has fallen greatly since the original investigations along with import volumes.[70] The domestic interested parties did not know the identities of the remaining U.S. importers.[71]

U.S. imports

Table I-6 presents the quantity, value, and unit value for imports from China as well as the other top sources of U.S. imports (shown in descending order of 2017 imports by quantity). Imports of circular welded pipe increased by 59.6 percent from 2013-17. Canada, Korea, and Thailand were the largest sources of nonsubject circular welded pipe imports, accounting for 19.6 percent, 14.5 percent, and 13.6 percent of total imports in 2017, respectively.

Table I-6
Circular welded pipe: U.S. imports, by source, 2013-17

Item	2013	2014	2015	2016	2017
	Quantity (short tons)				
China (subject)	5,044	6,368	24,012	86,732	53,382
Canada	229,658	228,769	227,590	224,144	217,314
Korea	56,787	43,944	61,440	87,646	160,719
Thailand	43,968	43,133	66,234	58,348	150,337
United Arab Emirates	44,726	76,365	108,401	52,872	106,134
Vietnam	65,445	60,546	83,393	59,089	98,370
Turkey	51,670	61,772	130,622	50,293	79,617
Mexico	65,357	57,765	61,369	61,038	57,346
All other sources (nonsubject)	132,109	135,573	153,600	119,066	185,382
Subtotal, nonsubject	689,720	707,867	892,649	712,496	1,055,219
Total imports	694,764	714,235	916,661	799,228	1,108,601

Table continued on the following page.

[69] *Circular Welded Carbon-Quality Steel Pipe from China, Inv. Nos. 701-TA-447 and 731-A-1116 (Review)*, USITC Publication 4435, November 2013, p. I-25.

[70] Domestic interested parties' response to the notice of institution, December 3, 2018, p. 4.

[71] Domestic interested parties, in response to deficiency questions issued by the Commission, listed two importers that advertise selling A-53 CWP to North America. Domestic interested parties' response to the notice of institution, December 18, 2018, p.4

Table I-6 – Continued
Circular welded pipe: U.S. imports, by source, 2013-17

Item	2013	2014	2015	2016	2017
	Landed, duty-paid value ($1,000)				
China (subject)	7,020	9,825	32,467	105,686	62,798
Canada	267,081	273,833	250,646	240,124	247,886
Korea	54,737	43,944	50,618	53,554	114,874
Thailand	38,552	37,189	54,655	32,953	103,909
United Arab Emirates	39,850	64,867	84,767	32,346	79,403
Vietnam	54,033	48,261	60,894	37,445	66,778
Turkey	43,225	52,319	95,263	31,231	60,214
Mexico	57,770	53,053	48,698	49,114	53,767
All other sources	142,928	139,011	148,888	105,050	166,913
Subtotal, nonsubject	698,176	712,478	794,428	581,817	893,744
Total imports	705,196	722,303	826,895	687,503	956,542
	Unit value (dollars per short ton)				
China (subject)	1,392	1,543	1,352	1,219	1,176
Canada	1,163	1,197	1,101	1,071	1,141
Korea	964	1,000	824	611	715
Thailand	877	862	825	565	691
United Arab Emirates	891	849	782	612	748
Vietnam	826	797	730	634	679
Turkey	837	847	729	621	756
Mexico	884	918	794	805	938
All other imports	1,082	1,025	969	882	900
Subtotal, nonsubject	7,523	7,496	6,755	5,800	6,568
Total imports	8,914	9,039	8,107	7,019	7,744

[1] Canadian export data since 2010 has not been publically available and may be overstated; import data from Canada in this investigation may be out-of-scope mechanical tubing.

Source: Official statistics of Commerce for HTS statistical reporting numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-8 presents data on U.S. market shares of U.S. apparent consumption.

Table I-7
Circular welded pipe: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2007, 2012, and 2017

Item	2007	2012	2017
	Quantity (short tons)		
U.S. producers' U.S. shipments	1,422,667	***	1,554,138
U.S. imports from—			
China	748,181	3,778	53,382
All other	406,280	580,442	1,055,219
Total imports	1,154,462	584,220	1,108,601
Apparent U.S. consumption	2,577,129	***	2,662,739
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	1,350,791	***	1,437,596
U.S. imports from—			
China	470,787	5,805	62,798
All other	363,801	588,044	893,744
Total imports	834,588	593,849	956,542
Apparent U.S. consumption	2,185,379	***	2,394,138

Source: For the years 2007 and 2012, data are compiled using data submitted in the Commission's original investigations and first five-year reviews. *See app. C*. For the year 2017, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

Table I-8
Circular welded pipe: Apparent U.S. consumption and U.S. market shares, 2007, 2012, and 2017

Item	2007	2012	2017
	Quantity (*short tons*)		
Apparent U.S. consumption	2,577,128	***	2,662,739
	Value (*1,000 dollars*)		
Apparent U.S. consumption	2,185,379	***	2,394,138
	Share of consumption based on quantity (*percent*)		
U.S. producer's share	55.2	***	58.4
U.S. imports from--			
China	29.0	***	2.0
All other sources	15.8	***	39.6
Total imports	44.8	***	41.6
	Share of consumption based on value (*percent*)		
U.S. producer's share	61.8	***	58.0
U.S. imports from--			
China	21.5	***	2.6
All other sources	16.6	***	37.3
Total imports	38.2	***	40.0

Source: For the years 2007 and 2012, data are compiled using data submitted in the Commission's original investigations and first five-year reviews. *See app. C*. For the year 2017, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090.

THE INDUSTRY IN CHINA

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from 15 firms, which accounted for approximately 51.5 percent of production of circular welded pipe from China during 2007, and approximately 65.1 percent of exports from China to the United States of circular welded pipe during 2007.[72]

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of 52 known producers or exporters of circular welded pipe.[73]

During these current reviews, the domestic interested parties did not know what Chinese circular welded pipe producers have exported circular welded pipe since 2012, but identified 22 Chinese companies that are likely to have exported circular welded pipe. These companies either produce subject merchandise or are affiliated with producers of it. [74]

Between 2016 and 2017, China reduced capacity by 115 million metric tons of steel capacity and closed 140 million metric tons of induction furnaces, which use scrap metal to make steel.[75] China continues to be the largest exporter of circular welded pipe in the world and its exports of this product continued to increase by 74.5 percent from 2012 to 2016. In 2016, China accounted for 20.6 percent of all circular welded pipe exports.[76]

Table I-9 shows world production of all welded tube, a category that includes circular welded pipe and out-of-scope products, during 2013-17. China is the world's largest producer of welded tubes.[77] In 2015, the last year of available data for Chinese production, China produced 70 percent of the world's welded tubes and produced 46.5 times more welded tubes than the United States. From 2013 to 2015, China increased production by 30 percent from 53.6 million metric tons (59.1 million short tons) to 69.7 million metric tons (76.8 million short tons).

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[72] *Investigation Nos. 731-TA-1014, 1016, and 1017 (Second Review): Polyvinyl Alcohol from China, Japan, and Korea—Staff Report*, INV-NN-019, April 1, 2014, pp. III-1—III-3

[73] *Circular Welded Carbon-Quality Steel Pipe from China, Inv. Nos. 701-TA-447 and 731-A-1116 (Review)*, USITC Publication 4435, December 2013, p. I-33.

[74] Domestic interested parties' response to the notice of institution, December 18, 2018, pp. 4-5.

[75] Reuters, *China aims to meet 2020 target for steel capacity cuts this year, warns on resumption*, https://www.reuters.com/article/us-china-steel/china-aims-to-meet-2020-target-for-steel-capacity-cuts-this-year-warns-on-resumption-idUSKBN1FR10M, retrieved February 12, 2019. The Chinese government issued two documents to guide production cuts and set targets for reducing steel production capacity by 100-150 million metric tons by 2020. Ibid.

[76] Domestic interested parties' response to the notice of institution, December 3, 2018, p.12.

[77] World Steel Association, Steel Statistical Yearbook 2018, Economics Committee, Brussels 2018.

Table I-9
Welded tube: World production of all welded tube, 2013-2017

Source	Quantity (thousand metric tons)				
	2013	2014	2015	2016	2017
China	53,587	57,610	69,696	NA	NA
United States	2,060	2,299	1,500	1,152	1853
All other	28,385	30,923	28,230	28,123	28,450
World	84,032	90,832	99,426	29,275	30,303

Note.—Data presented include products outside the scope of these reviews.

Source: Compiled from the World Steel Association, Steel Statistical Yearbook 2018, Economics Committee, Brussels 2018. Chinese data for 2016 and 2017 are not available.

Table I-10 presents export data for welded pipe from China, a category that includes circular welded pipe and out-of-scope products. The Philippines was China's largest export market during 2017, followed by the United Kingdom, accounting for 15.4 percent and 6.2 percent of total Chinese welded pipe exports, respectively. The United States was China's third largest export market, accounting for 4.8 percent in 2017. Exports of Chinese welded pipes to the United States increased by 760 percent from 2013 to 2017.

Table I-10
Welded pipe: Exports of welded pipe from China, by destination, 2013-17

Item	Calendar year				
	2013	2014	2015	2016	2017
	Quantity (short tons)				
Philippines	45,287	65,176	112,006	172,587	194,469
United Kingdom	21,185	78,177	66,138	63,993	78,683
United States	7,106	12,148	62,917	106,289	61,122
Malaysia	37,771	37,897	50,276	58,513	53,334
India	10,401	12,921	18,005	30,533	42,008
Hong Kong	37,749	41,072	39,849	40,455	41,766
Myanmar	35,214	51,130	60,373	50,366	41,246
Singapore	57,079	64,881	78,343	66,387	39,695
Chile	42,095	38,974	45,240	38,902	37,678
Australia	35,703	28,818	34,733	44,717	36,028
Nigeria	44,613	36,446	32,083	16,855	33,320
All other sources	559,815	679,324	807,579	741,354	606,424
Total Exports	934,017	1,146,964	1,407,541	1,430,952	1,265,774

Source: As adjusted, Global Trade Information Services, Inc., Global Trade Atlas, HTS statistical reporting number 7306.30 Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7306.30. These data may be overstated as HTS subheading 7306.30 may contain products outside the scope of these reviews.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS[78]

Several countries have placed antidumping and/or countervailing duties on welded carbon and alloy steel pipe originating in or exported from China, including Australia, Canada, the European Union, Mexico, and New Zealand. Table I-11 presents details regarding these orders.

Table I-11
Circular welded pipe: Antidumping and countervailing duty orders in third country markets

Country	Action/Measure
Australia	Imposed antidumping duties in the range of 10.1 to 57.1 percent and countervailing duties in the range of 2.2 to 54.8 percent on "hollow structural sections" (HS 7306.30) on July 3, 2012.
Canada	Antidumping duties on certain carbon steel welded pipe (HS 7306.30) were imposed at a rate of 179 percent; and certain steel piping (HS 7306.30) at a rate of 96.4 percent. Countervailing duties on certain carbon steel welded pipe were imposed at a rate of 5,280 Renminbi per metric ton.
EU	Imposed antidumping duties on certain welded tubes and pipes of iron or non-alloy steel (HS 7306.30) at a rate of 90.6 percent were imposed on January 26, 2015.
Mexico	Antidumping duties on carbon and alloy steel tubing with longitudinal seams and a circular, square, or rectangular cross-section (HS 7306.30) were imposed at rates ranging from 65.05 to 202.55 percent on August 11, 2017.
New Zealand	Currently conducting an antidumping investigation on hollow steel sections from China. Investigation commenced on April 9, 2018 (HS 7306.30).

Source: European Commission-Trade Websites, http://trade.ec.europa.eu/doclib/docs/2015/january/tradoc_153068.def.en.L20-2015.pdf, retrieved November 28, 2018; and World Trade Organization, Anti-dumping, https://www.wto.org/english/tratop_e/adp_e/adp_e.htm, retrieved December 20, 2018.

[78] Unless otherwise noted, this information was retrieved from the World Trade Organization, Anti-dumping, https://www.wto.org/english/tratop_e/adp_e/adp_e.htm, retrieved December 20, 2018.

THE GLOBAL MARKET

Table I-12 shows the world's top 10 exporters of welded pipe, a category that includes circular welded pipe and out-of-scope products. Total exports increased by 10.6 percent between 2013 and 2017. China was the largest exporter of circular welded pipe during 2013-2017, exporting more than 6.1 million short tons during this period. Italy was the second largest exporter, reaching 5.5 million short tons during the 2013-17 period. The export market is highly concentrated with the top four suppliers accounting for almost 50 percent of all world exports in 2017.

Table I-12
Welded pipe: Global exports by major sources, 2013-17

	Quantity (short tons)				
Country	**2013**	**2014**	**2015**	**2016**	**2017**
China	934,017	1,146,964	1,407,541	1,430,952	1,265,774
Italy	1,006,302	1,100,892	1,099,915	1,115,332	1,173,318
Turkey	540,665	643,240	600,850	541,876	673,071
South Korea	450,848	431,343	354,872	449,754	440,297
Germany	381,467	361,451	342,567	354,872	370,395
USA	403,893	381,935	334,877	299,802	305,526
Canada	235,026	247,571	259,826	260,196	254,424
Spain	234,134	247,913	191,462	230,426	249,018
India	225,547	245,913	230,610	209,268	236,727
Russia	247,636	248,950	309,844	194,905	221,357
All other	1,877,431	1,822,249	1,933,012	1,917,822	2,042,986
Total	6,536,967	6,878,422	7,065,377	7,005,205	7,232,893

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7306.30. These data may be overstated as HTS subheading 7306.30 may contain products outside the scope of these reviews.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
84 FR 17789 April 26, 2019	*Circular Welded Carbon-Quality Steel Pipe from China: Scheduling of Expedited Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2019-04-26/pdf/2019-08388.pdf
83 FR 54915 November 1, 2018	*Initiation of Five-Year (Sunset) Reviews*	https://www.federalregister.gov/d/2018-23875
83 FR 54936 November 1, 2018	*Institution of Five-Year Reviews*	https://www.federalregister.gov/d/2018-23851

APPENDIX B

COMPANY-SPECIFIC DATA

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APPENDIX C

SUMMARY DATA COMPILED IN ORIGINAL INVESTIGATIONS

Table C-1
Circular welded pipe: Summary data concerning the U.S. market, 2005-07

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

	Reported data			Period changes		
Item	2005	2006	2007	2005-07	2005-06	2006-07
U.S. consumption quantity:						
Amount	2,364,274	2,715,043	2,577,129	9.0	14.8	-5.1
Producers' share (1)	58.4	49.3	55.2	-3.2	-9.1	5.9
Importers' share (1):						
China	16.2	26.4	29.0	12.9	10.2	2.7
All other sources	25.4	24.3	15.8	-9.6	-1.1	-8.6
Total imports	41.6	50.7	44.8	3.2	9.1	-5.9
U.S. consumption value:						
Amount	2,098,972	2,237,056	2,185,379	4.1	6.6	-2.3
Producers' share (1)	64.9	58.8	61.8	-3.1	-6.2	3.0
Importers' share (1):						
China	11.7	18.6	21.5	9.9	6.9	3.0
All other sources	23.4	22.7	16.6	-6.7	-0.7	-6.0
Total imports	35.1	41.2	38.2	3.1	6.2	-3.0
U.S. imports from:						
China:						
Quantity	382,122	715,728	748,181	95.8	87.3	4.5
Value	245,357	415,197	470,787	91.9	69.2	13.4
Unit value	$642	$580	$629	-2.0	-9.7	8.5
Ending inventory quantity	9,328	42,220	29,798	219.5	352.6	-29.4
All other sources:						
Quantity	600,574	660,381	406,280	-32.4	10.0	-38.5
Value	490,728	507,222	363,801	-25.9	3.4	-28.3
Unit value	$817	$768	$895	9.6	-6.0	16.6
Ending inventory quantity	28,190	46,494	48,319	71.4	64.9	3.9
All sources:						
Quantity	982,696	1,376,109	1,154,462	17.5	40.0	-16.1
Value	736,086	922,419	834,588	13.4	25.3	-9.5
Unit value	$749	$670	$723	-3.5	-10.5	7.8
Ending inventory quantity	37,518	88,714	78,117	108.2	136.5	-11.9
U.S. producers':						
Average capacity quantity	2,571,019	2,405,229	2,219,300	-13.7	-6.4	-7.7
Production quantity	1,385,959	1,383,110	1,457,128	5.1	-0.2	5.4
Capacity utilization (1)	53.9	57.5	65.7	11.8	3.6	8.2
U.S. shipments:						
Quantity	1,381,578	1,338,934	1,422,667	3.0	-3.1	6.3
Value	1,362,886	1,314,637	1,350,791	-0.9	-3.5	2.8
Unit value	$986	$982	$949	-3.8	-0.5	-3.3
Export shipments:						
Quantity	37,605	30,514	48,668	29.4	-18.9	59.5
Value	37,375	28,082	44,193	18.2	-24.9	57.4
Unit value	$994	$920	$908	-8.6	-7.4	-1.3
Ending inventory quantity	197,527	192,877	166,336	-15.8	-2.4	-13.8
Inventories/total shipments (1)	13.9	14.1	11.3	-2.6	0.2	-2.8
Production workers	2,528	2,451	2,450	-3.1	-3.0	-0.0
Hours worked (1,000s)	4,773	4,733	4,630	-3.0	-0.8	-2.2
Wages paid ($1,000s)	103,195	100,393	104,073	0.9	-2.7	3.7
Hourly wages	$21.62	$21.21	$22.48	4.0	-1.9	6.0
Productivity (tons/1,000 hours)	290.4	292.2	314.7	8.4	0.6	7.7
Unit labor costs	$74.46	$72.58	$71.42	-4.1	-2.5	-1.6
Net sales:						
Quantity	1,400,129	1,364,791	1,471,543	5.1	-2.5	7.8
Value	1,335,159	1,302,373	1,373,678	2.9	-2.5	5.5
Unit value	$954	$954	$933	-2.1	0.1	-2.2
Cost of goods sold (COGS)	1,143,517	1,083,988	1,225,209	7.1	-5.2	13.0
Gross profit or (loss)	191,642	218,385	148,469	-22.5	14.0	-32.0
SG&A expenses	51,097	66,745	86,933	70.1	30.6	30.2
Operating income or (loss)	140,545	151,640	61,536	-56.2	7.9	-59.4
Capital expenditures	42,724	37,666	23,962	-43.9	-11.8	-36.4
Unit COGS	$817	$794	$833	1.9	-2.8	4.8
Unit SG&A expenses	$36	$49	$59	61.9	34.0	20.8
Unit operating income or (loss)	$100	$111	$42	-58.3	10.7	-62.4
COGS/sales (1)	85.6	83.2	89.2	3.5	-2.4	6.0
Operating income or (loss)/ sales (1)	10.5	11.6	4.5	-6.0	1.1	-7.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a calendar year basis, except for those of *** which are based on the fiscal year ending March 31, 2006-08.

Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2
Circular welded pipe: Summary data concerning the U.S. market, presenting financial data for firms on a fiscal year basis, 2005-07

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

	Reported data			Period changes		
Item	2005	2006	2007	2005-07	2005-06	2006-07
U.S. consumption quantity:						
Amount	2,364,274	2,715,043	2,577,129	9.0	14.8	-5.1
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Importers' share (1):						
China	16.2	26.4	29.0	12.9	10.2	2.7
All other sources	25.4	24.3	15.8	-9.6	-1.1	-8.6
Total imports	41.6	50.7	44.8	3.2	9.1	-5.9
U.S. consumption value:						
Amount	2,098,972	2,237,056	2,185,379	4.1	6.6	-2.3
Producers' share (1)	64.9	58.8	61.8	-3.1	-6.2	3.0
Importers' share (1):						
China	11.7	18.6	21.5	9.9	6.9	3.0
All other sources	23.4	22.7	16.6	-6.7	-0.7	-6.0
Total imports	35.1	41.2	38.2	3.1	6.2	-3.0
U.S. imports from:						
China:						
Quantity	382,122	715,728	748,181	95.8	87.3	4.5
Value	245,357	415,197	470,787	91.9	69.2	13.4
Unit value	$642	$580	$629	-2.0	-9.7	8.5
Ending inventory quantity	9,328	42,220	29,798	219.5	352.6	-29.4
All other sources:						
Quantity	600,574	660,381	406,280	-32.4	10.0	-38.5
Value	490,728	507,222	363,801	-25.9	3.4	-28.3
Unit value	$817	$768	$895	9.6	-6.0	16.6
Ending inventory quantity	28,190	46,494	48,319	71.4	64.9	3.9
All sources:						
Quantity	982,696	1,376,109	1,154,462	17.5	40.0	-16.1
Value	736,086	922,419	834,588	13.4	25.3	-9.5
Unit value	$749	$670	$723	-3.5	-10.5	7.8
Ending inventory quantity	37,518	88,714	78,117	108.2	136.5	-11.9
U.S. producers':						
Average capacity quantity	2,571,019	2,405,229	2,219,300	-13.7	-6.4	-7.7
Production quantity	1,385,959	1,383,110	1,457,128	5.1	-0.2	5.4
Capacity utilization (1)	53.9	57.5	65.7	11.8	3.6	8.2
U.S. shipments:						
Quantity	1,381,578	1,338,934	1,422,667	3.0	-3.1	6.3
Value	1,362,886	1,314,637	1,350,791	-0.9	-3.5	2.8
Unit value	$986	$982	$949	-3.8	-0.5	-3.3
Export shipments:						
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Value	37,375	28,082	44,193	18.2	-24.9	57.4
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Ending inventory quantity	197,527	192,877	166,336	-15.8	-2.4	-13.8
Inventories/total shipments (1)	13.9	14.1	11.3	-2.6	0.2	-2.8
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Hours worked (1,000s)	4,773	4,733	4,630	-3.0	-0.8	-2.2
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Hourly wages	$21.62	$21.21	$22.48	4.0	-1.9	6.0
Productivity (tons/1,000 hours)	290.4	292.2	314.7	8.4	0.6	7.7
Unit labor costs	$74.46	$72.58	$71.42	-4.1	-2.5	-1.6
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis for *** and may not necessarily be comparable to data reported on a calendar year basis.

Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.