Circular Welded Carbon Quality Steel Line Pipe from China

Investigation Nos. 701-TA-455 and 731-TA-1149 (Second Review)

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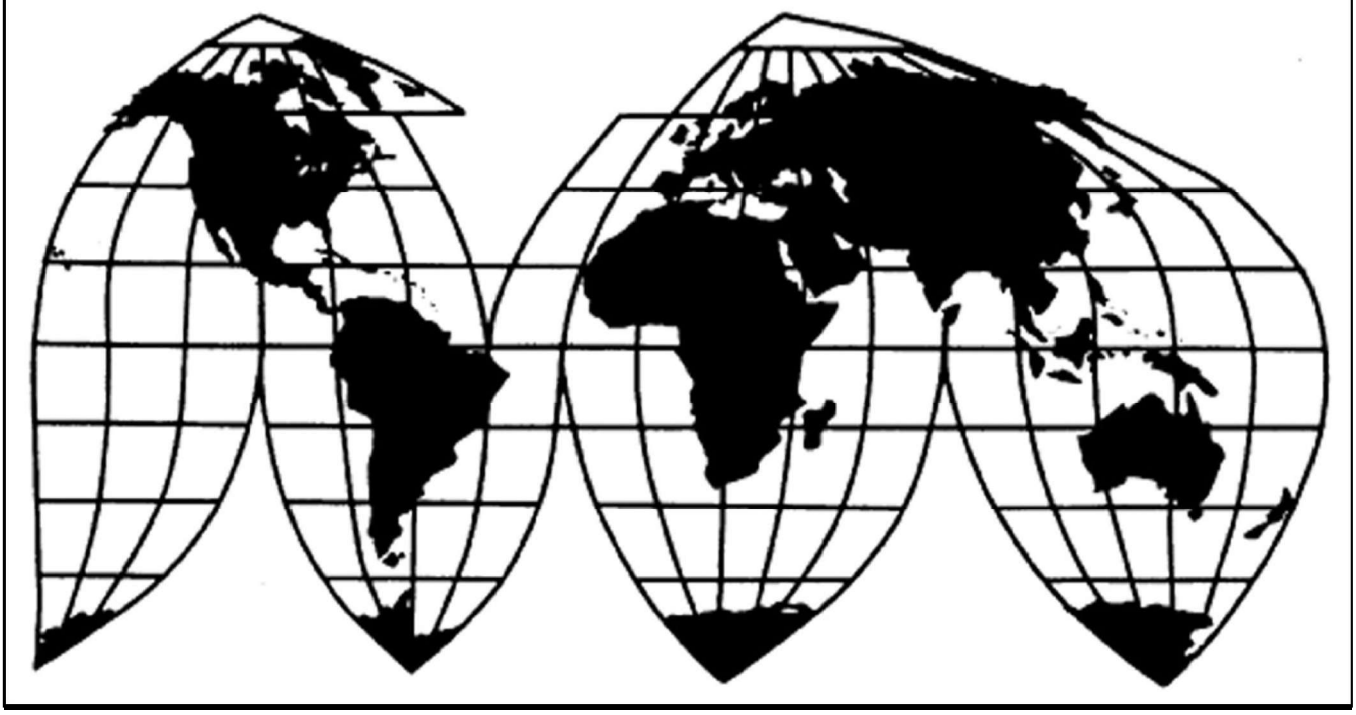
U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-455 and 731-TA-1149 (Second Review)
Circular Welded Carbon Quality Steel Line Pipe from China

DETERMINATIONS

On the basis of the record[1] developed in these subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the countervailing and antidumping duty orders on circular welded carbon quality steel line 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 reviews on April 1, 2019 (84 FR 12285) and determined on July 5, 2019 that it would conduct expedited reviews (84 FR 39861, August 12, 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] Commissioners Randolph J. Karpel and Amy A. Stayin did not participate.

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 line pipe ("CWLP") 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 April 3, 2008, three domestic producers of CWLP and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, filed antidumping and countervailing duty petitions covering CWLP from China. In January 2009, the Commission made an affirmative determination in the countervailing duty investigation on CWLP from China and in May 2009, the Commission made an affirmative determination in the antidumping duty investigation on CWLP from China.[2] The U.S. Department of Commerce ("Commerce") issued countervailing and antidumping duty orders on imports of CWLP from China on January 23, 2009 and May 13, 2009, respectively.[3]

First Reviews: The Commission instituted its first five-year reviews on December 2, 2013.[4] After conducting expedited reviews, the Commission reached affirmative determinations in May 2014.[5] Following the Commission's affirmative determinations, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of CWLP from China.[6]

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[1] Commissioners Stayin and Karpel did not participate in these reviews.

[2] *Circular Welded Carbon Quality Steel Line Pipe from China*, Inv. No. 701-TA-455 (Final), USITC Pub. 4055 (Jan. 2009) ("*Original Determination*"); *Circular Welded Carbon Quality Steel Line Pipe from China*, Inv. No. 731-TA-1149 (Final), USITC Pub. 4075 (May 2009). The three petitioning domestic producers were Maverick Tube Corp., Tex-Tube Co., and U.S. Steel Corp. Three Commissioners determined that a domestic industry was materially injured by reason of subject imports and three determined that a domestic industry was threatened with material injury by reason of subject imports. The Commissioners who made threat determinations generally concurred with those who made affirmative material injury determinations. Accordingly, references to "the Commission" will encompass all Commissioners unless expressly noted.

[3] *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 74 Fed. Reg. 4136 (Jan. 23, 2009); *Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Antidumping Duty Order*, 74 Fed. Reg. 22515 (May 13, 2009).

[4] *Circular Welded Carbon Quality Steel Line Pipe from China; Institution of Five-Year Reviews*, 78 Fed. Reg. 72114 (Dec. 2, 2013).

[5] *Circular Welded Carbon Quality Steel Line Pipe from China*, Inv. Nos. 701-TA-455 and 731-TA-1149 (Review), USITC Pub. 4464 (May 2014) ("*First Review Determinations*").

[6] *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Continuation of Antidumping and Countervailing Duty Orders*, 79 Fed. Reg. 28894 (May 20, 2014).

Current Reviews: The Commission instituted these second five-year reviews on April 1, 2019.[7] The Commission received a single response to its notice of institution on April 30, 2019, filed on behalf of four domestic producers of CWLP: California Steel Industries, IPSCO Tubulars Inc., Welspun Tubular LLC, and Wheatland Tube Company (collectively "the domestic producers").[8] On July 5, 2019, the Commission determined that the domestic interested party group response to the notice of institution was adequate and that the respondent interested party group response was inadequate. Finding that no other circumstances warranted conducting full reviews, the Commission decided to conduct expedited reviews.[9] The domestic producers submitted comments pursuant to Commission rule 207.62(d) regarding the determinations the Commission should reach.[10]

In these reviews, U.S. industry data are based on information the domestic producers submitted in response to the notice of institution. The domestic producers estimate that they accounted for approximately *** percent of domestic production of CWLP in 2018.[11] U.S. import data and related information are based on Commerce's official import statistics.[12] Foreign industry data and related information are based on information from the domestic producers, questionnaire responses from the original investigations, and publicly available information gathered by staff.[13] Six U.S. purchasers of CWLP responded to the Commission's adequacy phase questionnaire.[14]

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."[15] 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."[16] The Commission's

[7] *Circular Welded Carbon Quality Steel Line Pipe From China; Institution of Five-Year Reviews*, 84 Fed. Reg. 12285 (Apr. 1, 2019).

[8] Response to Notice of Institution, EDIS Doc. 674526 (Apr. 30, 2019) ("Response").

[9] *Explanation of Commission Determinations on Adequacy*, EDIS Doc. No. 681334 (July 15, 2019).

[10] Comments on Confidential Report, EDIS Doc. 685416 (Aug. 15, 2019) ("Comments").

[11] Confidential Report, Memorandum INV-RR-058 ("CR"); Public Report ("PR") at Table I-1. The domestic producers utilized the American Iron and Steel institute's ("AISI") data in calculating their coverage estimate. Because some domestic producers were not included in the AISI data, the producers' coverage estimate may underestimate actual coverage. *Id*. at n.1.

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

[13] *See generally* CR at I-28 – I-32; PR at I-12--I-13.

[14] CR at D-3; PR at D-3.

[15] 19 U.S.C. § 1677(4)(A).

[16] 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

practice in five-year reviews is to examine the domestic like product definition from the original investigation(s) and consider whether the record indicates any reason to revisit the prior findings.[17]

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

> {C}ircular welded carbon quality steel pipe of a kind used for oil and gas pipelines, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.
>
> The term "carbon quality steel" includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for non alloy steels imposed in the Harmonized Tariff Schedule of the United States ("HTSUS"). Specifically, the term "carbon quality" includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:
>
> (i) 2.00 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) 0.012 percent of boron, (xi) 0.50 percent of molybdenum, (xii) 0.15 percent of niobium, (xiii) 0.41 percent of titanium, (xiv) 0.l5 percent of vanadium, or (xv) 0.15 percent of zirconium.
>
> Welded line pipe is normally produced to specifications published by the American Petroleum Institute ("API") (or comparable foreign specifications) including API A-25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or non-graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple-stenciled pipe with an API welded line pipe stencil is covered by the scope of this investigation.
>
> Excluded from this scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have 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

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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).

[17] *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).

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.)[18]

CWLP is made from carbon quality steel, which includes carbon steel as well as carbon steel combined with small amounts of alloying elements. CWLP within the scope is not more than 406.4 mm (16 inches) in outer diameter, regardless of wall thickness, length, surface finish, end finish, and stenciling. CWLP is generally produced in the United States in lengths of 40 feet or greater, with either a bare finish or a black lacquered finish. CWLP is used to convey water, oil, or gas in pipeline or utility distribution systems and is generally manufactured to API-5L specifications.[19]

In the prior proceedings, the Commission defined a single domestic like product consisting of CWLP, 16 inches or less in outside diameter, coextensive with Commerce's scope.[20] In the current reviews, the domestic producers agree with the Commission's definition of the domestic like product from the prior proceedings.[21] The record contains no information suggesting that the characteristics and uses of domestically produced CWLP have changed since the prior proceedings.[22] Accordingly, we again define a single domestic like product of CWLP, 16 inches or less in outside diameter, coextensive with the scope of the orders under review.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[23] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

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[18] *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Order*, 84 Fed. Reg. 38215 (Aug. 6, 2019) ("*Commerce Second Expedited AD Review*") and accompanying Issues and Decision Memorandum at 2-3; *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order*, 84 Fed. Reg. 38213 (Aug. 6, 2019) ("*Commerce Second Expedited CVD Review*") and accompanying Issues and Decision Memorandum at 2-3. The scope definitions of the countervailing and antidumping duty orders are identical.

[19] CR at I-11 – I-13; PR at I-9 – I-10.

[20] *Original Determination*, USITC Pub. 4055 at 6-7; *First Review Determinations*, USITC Pub. 4464 at 6. The definition of the domestic like product was not disputed in either the original investigations or the first reviews.

[21] Response at 22; Comments at 6.

[22] *See generally* CR at I-11 – I-16; PR at I-12 – I-16.

[23] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

In the original investigations and first five-year reviews, the Commission defined the domestic industry as consisting of all producers of the domestic like product.[24] In both the original investigations and the first reviews, the Commission determined that there were no related party issues under 19 U.S.C. § 1677(4)(b).[25]

In the current reviews, the domestic producers agree with the Commission's prior definition of the domestic industry.[26] The domestic producers state that they do not import subject merchandise and are not related to any importers or producers of subject merchandise.[27] Moreover, the record does not otherwise indicate that there are any related party or other domestic industry issues in these reviews. Consequently, we again define the domestic industry to consist of all domestic producers of CWLP.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[28] 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."[29] Thus, the likelihood standard is prospective in nature.[30] The U.S. Court of International Trade has found that "likely," as used in the five-year

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[24] *Original Determination*, USITC Pub. 4055 at 7; *First Review Determinations*, USITC Pub. 4464 at 6.

[25] *Original Determination*, USITC Pub. 4055 at 7 n.31; *First Review Determinations*, USITC Pub. 4464 at 6.

[26] Response at 22; Comments at 6.

[27] Response at 20.

[28] 19 U.S.C. § 1675a(a).

[29] 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.

[30] 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.

review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[31]

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."[32] 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."[33]

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."[34] 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).[35] 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.[36]

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.[37] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely

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

[32] 19 U.S.C. § 1675a(a)(5).

[33] 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*.

[34] 19 U.S.C. § 1675a(a)(1).

[35] 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to CWLP from China. CR at I-8; PR at I-6.

[36] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[37] 19 U.S.C. § 1675a(a)(2).

increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[38]

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.[39]

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.[40] 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.[41]

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

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[38] 19 U.S.C. § 1675a(a)(2)(A-D).

[39] *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.

[40] 19 U.S.C. § 1675a(a)(4).

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

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[42] The following conditions of competition inform our determinations.

1. Demand Conditions

In both the original investigations and the first reviews, the Commission observed that end users generally use CWLP for gathering oil and gas from the point of production, for distributing oil and gas to consumers, and for oil and gas transmission in pipelines. Accordingly, the Commission found in both the original investigations and the first reviews that demand for CWLP is derived from oil and gas exploration as well as the level of residential construction.[43] The record in the current reviews indicates that the drivers of CWLP demand in the U.S. market have not changed.[44]

In the original investigations, the Commission stated that apparent U.S. consumption was "strong;" during the period of investigation ("POI"), apparent U.S. consumption increased by 57.7 percent from 2005 to 2007, although it was slightly lower in the first nine months of 2008 than during the same period of 2007.[45] The Commission found that the increased demand from 2005 to 2007 was, in part, driven by specialized pipeline transmission projects. Additionally, the Commission found that apparent U.S. consumption was projected to weaken in 2009 due to the effect of the global economic downturn on new oil and gas exploration and new residential construction.[46] In the first reviews, the Commission found that the apparent U.S. consumption of CWLP increased to *** short tons, higher than in any year in the original POI.[47]

U.S. demand for CWLP was considerably lower in 2018 (at *** short tons) than 2012.[48] The domestic producers assert that, although oil and gas exploration is on the rise, a drop in new deposit discoveries and decline in residential construction will result in lower demand for CWLP in the future.[49]

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[42] 19 U.S.C. § 1675a(a)(4).

[43] *Original Determination*, USITC Pub. 4055 at 11; *First Review Determinations*, USITC Pub. 4464 at 11-12.

[44] *See* Response at 5.

[45] *Original Determination*, USITC Pub. 4055 at 11-12.

[46] *Original Determination*, USITC Pub. 4055 at 12.

[47] *First Review Determinations*, USITC Pub. 4464 at 10; *Confidential First Review Determinations*, EDIS Doc. 677922 at 13.

[48] CR/PR at Table I-7. Because the U.S. shipment data used to compute apparent U.S. consumption for 2018 are based on information provided by the domestic producers, which accounted for *** of domestic production for that year, the apparent U.S. consumption data may be somewhat understated.

[49] Response at 6.

2. Supply Conditions

In the original investigations, the Commission found that nine producers accounted for more than 95 percent of U.S. production of CWLP during the POI.[50] From 2006 through 2008, there were five mergers and acquisitions within the domestic industry.[51] Despite the domestic industry's restructuring and the increasing volume of both subject and nonsubject imports, the domestic industry increased shipments, capacity, and capacity utilization due to the increases in apparent U.S. consumption.[52] The domestic industry's share of apparent U.S. consumption fell from 59.9 percent in 2005 to 52.9 percent in 2007 while subject imports' share increased. Meanwhile, nonsubject imports' share of apparent U.S. consumption fell from 38.8 percent in 2005 to 30.0 percent in 2007.[53]

During the first reviews, in 2012, the domestic industry held a *** percent share of apparent U.S. consumption, which was lower than in any full year of the POI. Subject imports had a *** percent share, and imports from nonsubject countries had a *** percent share. Korea was the largest source of line pipe imports to the U.S. market each year from 2009 to 2013.[54]

In the current reviews, the domestic industry has undergone several changes: a new facility has been opened, several plants have resumed operations, multiple plants have ceased operations, and several facilities have changed ownership since 2014.[55] In 2018, the domestic industry was the second largest supplier of CWLP in the U.S. market. Its *** percent share of the quantity of apparent U.S. consumption in 2018 was lower than that in 2007 and 2012.[56]

Subject imports have remained in the U.S. market in limited quantities throughout the period of review;[57] they accounted for *** percent of apparent U.S. consumption in 2018.[58] Nonsubject imports, primarily from Korea and Mexico, accounted for the largest supply of CWLP in the U.S market in 2018, holding a *** percent share of apparent U.S. consumption by quantity that year.[59] Imports of circular welded carbon and alloy line pipe not more than 24

[50] *Original Determination*, USITC Pub. 4055 at 4, 12.

[51] *Original Determination*, USITC Pub. 4055 at 12-13.

[52] *Original Determination*, USITC Pub. 4055 at 13.

[53] *Original Determination*, USITC Pub. 4055 at 13.

[54] *First Review Determinations*, USITC Pub. 4464 at 10; *Confidential First Review Determinations*, EDIS Doc. 677922 at 14.

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

[56] CR/PR at Table I-7. The market share data contained in Table I-7 are based, in part, on information concerning the domestic producers' U.S. shipments. Because the domestic producers account for *** percent of domestic production in 2018, the market share data for that year are somewhat understated for the domestic industry and somewhat overstated for imports. CR/PR at Tables I-1, I-7.

[57] *See* CR/PR at Table I-5.

[58] CR/PR at Table I-7.

[59] CR/PR at Tables I-6 – I-7.

inches in outside diameter (which includes CWLP) from Turkey and Korea have been subject to antidumping duty orders since 2014.[60]

3. Substitutability and Other Conditions

In the original investigations, the Commission found that CWLP produced to given specifications from all sources was highly interchangeable. Because CWLP from China was frequently produced to the same specifications as domestically produced CWLP, the Commission characterized the domestic like product and the subject imports as having a high degree of substitutability.[61] The Commission also found that price and conformance with industry quality standards were the two most important factors in purchasing decisions.[62] It observed that the domestic industry's cost of goods sold ("COGS") rose from 2005 to 2007. Hot-rolled steel, which accounted for approximately 75 percent of COGS, reached its peak price in May 2008; its price sharply decreased in the fourth quarter of 2008.[63] Both domestic and subject producers indicated that CWLP was produced on the same equipment, utilizing the same employees, as other forms of welded pipe, which enabled producers to shift production from other forms of welded pipe to CWLP in response to shifts in demand.[64]

In the first reviews, the Commission found that nothing in the record indicated that the conditions of competition discussed in the preceding paragraph had changed since the original investigations.[65] In the current reviews, there is no new information on the record to suggest that the conditions of competition concerning the substitutability of subject merchandise and the domestic like product or the importance of price in purchasing decisions have changed significantly since the first reviews or the original investigations.[66]

Imports of CWLP from China have been subject to an additional tariff under section 232 of the Trade Expansion Act of 1962, as amended,[67] since March 2018. At the time the record in these reviews closed, the applicable section 232 tariff on the subject merchandise was 25 percent *ad valorem*.[68]

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[60] CR/PR at Table I-2. Consequently, the scope of these antidumping duty orders on imports from Turkey and Korea includes both CWLP within the scope of these reviews and out-of-scope product. CR/PR at Table I-2 n.6.

[61] *Original Determination*, USITC Pub. 4055 at 13-14.

[62] *Original Determination*, USITC Pub. 4055 at 15-16.

[63] *Original Determination*, USITC Pub. 4055 at 14.

[64] *Original Determination*, USITC Pub. 4055 at 13.

[65] *First Review Determinations*, USITC Pub. 4464 at 12.

[66] *See* Response at 5.

[67] 19 U.S.C. § 1862.

[68] *Adjusting Imports of Steel Into the United States*, 83 Fed. Reg. 11625 (March 15, 2018); CR at I-10; PR at I-8.

Imports of CWLP from China were not subject to an additional tariff under section 301 of the Trade Act of 1974, 19 U.S.C. § 2411, when the record in these reviews closed. CR at I-11; PR at I-8.

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigations, the Commission found that the subject import volume increased over 1,400 percent, from 15,549 short tons in 2005 to 236,358 short tons in 2007. Subject imports captured market share from both nonsubject imports and the domestic industry. The market share of subject imports as measured by quantity increased from 1.8 percent in 2005 to 17.2 percent in 2007. During the same period, the domestic industry's market share decreased from 59.9 percent to 52.9 percent, and that of nonsubject imports declined from 38.3 percent to 30.0 percent. The ratio of the quantity of subject imports to U.S. production rose from 2.7 percent in 2005 to 30.7 percent in 2007. The Commission found that the volume and the increase in volume of subject imports were significant in absolute terms and relative to the consumption and production of CWLP in the United Sates.[69]

In the first reviews, the Commission found that the orders had a disciplining effect on the volume of subject imports. The volume of subject imports fell from 236,358 short tons in 2007 to 127,511 short tons in 2008 and to 2,313 short tons in 2009. In the years following the imposition of the orders, subject import volume remained relatively low, and was 8,449 short tons in 2012.[70] The Commission found that both overall and unused welded pipe capacity in China were relatively large and that ***.[71] The line pipe industry in China continued to be a large global exporter and the Commission characterized the United States as an attractive export market.[72] It observed that both the European Union ("EU") and Canada maintained export barriers in the form of antidumping duties on various forms of welded pipe from China.[73] The Commission found that given the continued presence of subject imports in the U.S. market, the existence of export barriers to EU and Canadian markets, and the increased line pipe ***, Chinese producers would have the incentive to import substantial and increasing volumes of CWLP to the United States should the orders be revoked.[74] The Commission accordingly found that the likely volume of subject imports would be significant upon revocation, both absolutely and relative to production and consumption in the United States.[75]

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[69] *Original Determination*, USITC Pub. 4055 at 15. The Commission afforded less weight to subject import data for 2008 because it found that the decline in subject imports in 2008 was due to the filing of the petitions in April 2008. *Id*. Those Commissioners who made threat determinations indicated that subject imports increased irrespective of U.S. demand trends, and emphasized the size, growth, and export orientation of the industry in China. *Id.* at 21-23.

[70] *First Review Determinations*, USITC Pub. 4464 at 13.

[71] *First Review Determinations*, USITC Pub. 4464 at 14; *Confidential First Review Determinations*, EDIS Doc. 677922 at 20.

[72] *First Review Determinations*, USITC Pub. 4464 at 13.

[73] *First Review Determinations*, USITC Pub. 4464 at 14.

[74] *First Review Determinations*, USITC Pub. 4464 at 14; *Confidential First Review Determinations*, EDIS Doc. 677922 at 20.

[75] *First Review Determinations*, USITC Pub. 4464 at 14.

2. The Current Reviews

In the current reviews, the record reflects that subject imports maintained a continued, albeit limited, presence in the U.S. market, evidencing the orders' disciplining effect on subject import volume. During the period of review, annual subject import volume ranged from a low of 608 short tons to a high of 5,456 short tons and was 3,293 short tons in 2018.[76]

The record indicates that the industry in China continues to have large production and export capabilities. China was the world's second largest exporter of line pipe in 2014, 2016, and 2017 and was the largest exporter of line pipe in 2015 and 2018.[77] Information available on the line pipe industry in China indicates its line pipe production capacity was over 65 million metric tons, which included substantial amounts of excess capacity.[78] Consequently, the facts available collectively indicate that that industry in China continues to export substantial quantities of CWLP and will continue to have that capability in the reasonably foreseeable future.

The substantial volumes of global exports of line pipe from China from 2014 to 2018 indicate that the subject industry continues to be export-oriented. Indeed, line pipe producers in China directed line pipe exports to markets throughout the world.[79] The United States continues to be an attractive market to exporters of line pipe and was the world's largest importing country from 2014 to 2018.[80] The continued presence of subject imports in the U.S. market throughout the period of review, notwithstanding the disciplining effect of the orders, demonstrates a sustained interest in exporting to the United States.[81] Moreover, Chinese producers of line pipe face barriers in other export markets, which provide an incentive to direct exports of CWLP to the U.S. market, in the event of revocation.[82] Specifically, both the

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

[77] CR/PR at Table I-10. The available IHS Markit Global Trade Atlas (GTA) database that is the source of export data in the Commission Report concerns line pipe, a product category that includes both subject CWLP and out-of-scope merchandise. *Id*.

[78] Response, Ex. 7 at paras. 148, 150. The source for this data is a 2015 decision from a Canadian antidumping and countervailing duty investigation on imports of carbon and alloy steel line pipe from China, which we recognize pertains to a broader product category than the scope of the orders under review in these proceedings.

[79] CR/PR at Table I-8. As previously indicated, the export data available concern line pipe, a product category that includes both subject CWLP and out-of-scope merchandise. *Id*.

[80] CR/PR at Table I-9. The available import data available from GTA concern line pipe, a product category that includes both subject CWLP and out-of-scope merchandise. *Id*.

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

[82] As previously discussed, CWLP from China is also subject to section 232 tariffs. *Adjusting Imports of Steel Into the United States*, 83 Fed. Reg. 11625 (March 15, 2018); CR at I-10; PR at I-8. The record does not indicate that these tariffs would likely pose a substantial impediment to further subject imports upon revocation. The volume of subject imports increased from 2017 to 2018, notwithstanding the imposition of the section 232 tariffs in 2018. CR/PR at Table I-5. Additionally, the only domestic purchaser of CWLP that discussed the section 332 tariffs with respect to changes in the conditions of competition indicated that ***. CR at D-3 – D-4; PR at D-3.

EU and Canada maintain antidumping duties on various types of welded pipes from China, including CWLP.[83]

We therefore find that, absent the disciplining effect of the orders, the CWLP industry in China would likely increase the volume of exports of subject merchandise to the United States. Accordingly, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant if the orders were revoked.[84]

D. Likely Price Effects

1. The Prior Proceedings

In the original investigations, the Commission found that subject imports from China and domestic CWLP were highly substitutable and that most sales of both the domestic like product and subject imports were made on the spot market to distributors.[85] As previously discussed, price and quality meeting industry standards were reported to be two of the most important purchasing factors.[86] The record indicated that subject imports undersold the domestic like product in each of 56 quarterly price comparisons by an average margin of 30.4 percent. Accordingly, the Commission found the underselling of the domestic like product by subject imports to be significant.[87]

The Commission also found that subject imports prevented price increases for the domestic like product that otherwise would have occurred to a significant degree. The record indicated that the domestic industry insufficiently increased the unit value of net sales to recover increased costs it incurred, primarily as a result of increased raw material costs. In contrast, when the volume of subject imports declined due to the pendency of the investigations in 2008, the domestic industry was able to increase prices to recover increasing costs.[88]

In the first reviews, the Commission found that subject imports and the domestic like product were highly substitutable and that nothing on the record indicated that price was no longer an important purchasing factor.[89] The Commission also found that the underselling that

[83] CR at I-29 – I-30; PR at I-22 – I-23. Mexico also imposed duties on carbon and alloy steel tubing with longitudinal seams and a circular, square, or rectangular cross-section from China in 2018. CR at I-31; PR at I-23.

[84] Due to the expedited nature of these reviews, the record does not contain current information regarding inventories of CWLP or subject producers' ability to shift production from other line pipe products.

[85] *Original Determination*, USITC Pub. 4055 at 15.

[86] *Original Determination*, USITC Pub. 4055 at 15-16.

[87] *Original Determination*, USITC Pub. 4055 at 16.

[88] *Original Determination*, USITC Pub. 4055 at 16-17. Those Commissioners who made affirmative threat determinations found that underselling and price suppression were likely to continue in the imminent future. *Id*. at 24.

[89] *First Review Determinations*, USITC Pub. 4464 at 15. Due to the expedited nature of the first reviews, the record did not contain pricing comparisons for the period of review. *Id*.

occurred during the original investigations would likely recur if the orders were revoked which, in turn, would likely cause the domestic industry either to lower prices or forgo price increases to cover potential cost increases.[90] Accordingly, the Commission concluded that, if the orders were revoked, subject imports likely would again undersell the domestic product to a significant degree to gain market share and would likely have price suppressing or depressing effects.[91]

2. The Current Reviews

In these reviews, we continue to find, for the reasons stated in section III.B.3., that the domestic like product and subject imports are highly substitutable and that price remains one of the most important factors in purchasing decisions.[92] Consequently, subject imports would again likely undersell the domestic like product to gain market share if the antidumping and countervailing duty orders were revoked. The underselling would likely cause the domestic industry to lower prices or forgo price increases to cover costs, as was the case in the original investigations. Accordingly, we conclude that the likely significant volume of subject imports would undersell the domestic like product to a significant degree to gain market share and would likely have price suppressing or depressing effects.

E. Likely Impact

1. The Prior Proceedings

In the original investigations, the Commission found that the record reflected some positive changes in the domestic industry, which experienced a sharp increase in demand from 2005 to 2007. During this period of increased demand, the domestic industry increased net sales quantities, shipments, production, and capacity utilization.[93] Additionally, the domestic industry's number of production and related workers, aggregate hours worked, aggregate wages paid, and hourly wage rates increased.[94]

While the domestic industry remained profitable in light of increased demand, the record evidenced a 25.9 percent decline in operating income from 2005 to 2007 and an even greater decline of 49.5 percent from 2006 to 2007.[95] The Commission attributed the domestic industry's declining profitability to the price-suppressing effects of the increased volume of subject imports, which also took market share from the domestic industry. Those Commissioners who made affirmative present injury determinations found that the significant impact of the subject imports could not be attributed in any significant way to nonsubject

[90] *First Review Determinations*, USITC Pub. 4464 at 15.

[91] *First Review Determinations*, USITC Pub. 4464 at 15-16.

[92] The record does not contain current pricing comparisons because of the expedited nature of these reviews.

[93] *Original Determination*, USITC Pub. 4055 at 17.

[94] *Original Determination*, USITC Pub. 4055 at 18.

[95] *Original Determination*, USITC Pub. 4055 at 18.

imports, which were consistently priced higher than the subject imports and also lost market share to them.[96]

In the first reviews, the Commission found that the condition of the domestic industry had improved since the imposition of the orders. Specifically, the record reflected that apparent U.S. consumption had *** in terms of quantity between 2007 and 2012.[97] Additionally, capacity, production, and shipments were higher in 2012 than in 2007.[98] However, the domestic industry lost market share to nonsubject imports.[99] The limited financial data on the record reflected that the domestic industry's profitability improved after the imposition of the orders as evidenced by higher operating income margins, value of net sales, and lower COGS to net sales margins in 2012 as compared to 2007. The Commission found that, if the orders were revoked, the likely significant volume and price effects of subject imports would likely have a significant impact on the domestic industry's profitability and market share, as they did during the original investigations when demand was also strong.[100] In its non-attribution analysis, the Commission found that the increase in nonsubject import share of U.S. consumption during the period of review did not preclude the domestic industry from achieving improvements in shipments, production, and financial performance. Accordingly, the Commission concluded that, if the orders were revoked, subject imports would have a significant impact on the domestic industry within a reasonably foreseeable time.[101]

2. The Current Reviews

In the current reviews, the information available concerning the domestic industry's condition is based on data provided in the domestic producers' response to the notice of institution. In 2018, the domestic producers' capacity was approximately *** short tons, production was *** short tons, and capacity utilization was *** percent. Their U.S. shipments totaled *** short tons. Domestic producers reported an operating income of approximately $*** from net sales of approximately $***, resulting in an operating income margin of *** percent in 2018.[102] 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.

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[96] *Original Determination*, USITC Pub. 4055 at 18. Those Commissioners who made affirmative threat determinations found that, while the domestic industry was not currently materially injured by reason of the subject imports due to increasing demand during the POI which largely shielded the industry from adverse effects, conditions would likely change in the imminent future due to likely declines in demand for CWLP. Their non-attribution analysis paralleled that of the other Commissioners. *Id*. at 24-25.

[97] *First Review Determinations*, USITC Pub. 4464 at 17; *Confidential First Review Determinations*, EDIS Doc. 677922 at 25.

[98] *First Review Determinations*, USITC Pub. 4464 at 17.

[99] *First Review Determinations*, USITC Pub. 4464 at 18; *Confidential First Review Determinations*, EDIS Doc. 677922 at 26.

[100] *First Review Determinations*, USITC Pub. 4464 at 18.

[101] *First Review Determinations*, USITC Pub. 4464 at 18.

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

As discussed above, we have found that, upon revocation of the orders, subject import volume would likely be significant and subject imports would likely have significant price effects. Based on the information on the record, we further find that the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipment, sales, market share, employment, and revenues of the domestic industry. The likely declines in these factors would, in turn, likely have a direct adverse impact on the domestic industry's profitability.

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 first reviews and accounted for a *** percent share of apparent U.S. consumption in 2018.[103] Notwithstanding the increased volume of nonsubject imports in the U.S. market, given the substitutability of imported and domestically produced CWLP and the importance of price in purchasing decisions, increases in the volume of low-priced subject imports will likely take at least some sales and market share from the domestic industry. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

IV. Conclusion

For the reasons discussed above, we determine that revocation of the antidumping and countervailing duty orders on CWLP 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.

[103] CR/PR at Table I-7. Nonsubject imports accounted for a *** percent share of apparent U.S. Consumption in 2012. However, for the reasons discussed in section III.B.2. n.56, the import data from the current and previous reviews utilized in Table I-7 are not fully comparable.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On April 1, 2019, the U.S. International Trade Commission ("Commission") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of antidumping and countervailing duty orders on circular welded carbon quality steel line pipe from China would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
April 1, 2019	Notice of institution by Commission (84 FR 12285)
April 1, 2019	Notice of initiation by Commerce (84 FR 12227)
July 5, 2019	Scheduled date for Commission's vote on adequacy
August 6, 2019	Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order (84 FR 38215, July 30, 2019); and Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order (84 FR 38213, July 30, 2019)
August 12, 2019	Scheduling of an Expedited Five-Year Review (84 FR 39861, July 5, 2019)
September 19, 2019	Commission's determinations and views
November 27, 2019	Commission's statutory deadline to complete expedited reviews

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

[2] *Circular Welded Carbon Quality Steel Line Pipe From China; Institution of Five-Year Reviews;* 84 FR 12285, April 1, 2019. In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of a five-year review of the subject antidumping and countervailing duty orders. *Initiation of Five-Year (Sunset) Review*, 84 FR 12227, April 1, 2019. 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. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

RESPONSES TO THE COMMISSION'S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of California Steel Industries ("California"), IPSCO Tubulars Inc. ("IPSCO"), Welspun Tubular LLC ("Welspun"), and Wheatland Tube Company ("Wheatland"), domestic producers of line pipe (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 carbon quality steel line pipe: Summary of responses to the Commission's notice of institution

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

[1] In their response to the notice of institution and response to cure letter, domestic interested parties estimated that they account for at least a majority (*** percent) of total U.S. shipments of circular welded line pipe during 2018. Domestic interested parties have based their computation on the American Iron and Steel Institute's ("AISI") estimate that the domestic industry's commercial shipments of line pipe within scope totaled *** short tons and the responding domestic producers' total shipments were *** short tons in 2018. ***. *Domestic interested parties' response to the notice of institution*, p. 2, *Domestic interested parties' comments on adequacy*, June 13, 2019, p. 2, and *domestic interested parties' response to cure letter*, June 17, 2019, p. 2 and exhibit 1.

Party comments on adequacy

The Commission received one submission commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. This submission was filed on behalf of: the domestic interested parties.[5]

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. Therefore, because of the inadequate response by the respondent interested parties and the fact that there have been no major changes in the conditions of competition in the market since the Commission's last five-year reviews, they request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on circular welded carbon quality steel line pipe from China.

[5] *Domestic interested parties' comments on adequacy*, June 13, 2019, p. 2.

THE ORIGINAL INVESTIGATIONS AND SUBSEQUENT REVIEWS

The original investigations

The original investigations resulted from a petition filed on April 3, 2008, by Maverick Tube Corp. (Houston, Texas), Tex-Tube Co. (Houston, Texas), U.S. Steel Corp. (Pittsburgh, Pennsylvania), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (Pittsburgh, Pennsylvania)[6] alleging that an industry in the United States was materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of line pipe from China. On November 24, 2008, Commerce determined that countervailing subsidies were being provided to producers and exporters of line pipe from China.[7] On March 31, 2009, Commerce determined that imports of line pipe from China were being sold at LTFV.[8] On January 7, 2009, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of subsidized imports of circular welded line pipe from China.[9] On May 6, 2009, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of circular welded line pipe from China.[10] Commerce issued countervailing duty and

[6] On April 4, 2008, Wheatland Tube Co. (Sharon, Pennsylvania) separately filed an entry of appearance in support of the petitions. Counsel for petitioning firm Tex-Tube Co. amended its entry of appearance on October 31, 2008, to also include domestic producers Northwest Pipe Co. (Vancouver, Washington); Stupp Corp. (Baton Rouge, Louisiana); and TMK IPSCO Tubulars (Lisle, Illinois); and again on November 3, 2008, to add domestic producer American Steel Pipe Division of ACIPCO (Birmingham, Alabama).

[7] *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination,* 73 FR 70961, November 24, 2008.

[8] *Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Postponement of Final Determination,* 74 FR 14514, March 31, 2009.

[9] *Circular Welded Carbon Quality Steel Line Pipe from China*, *Investigation Nos. 701-TA-455 and 731-TA-1149 (Final),* USITC Publication 4055, January 2009, p. 1. Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun determined that a domestic industry is threatened with material injury by reason of subject imports of certain circular welded carbon quality steel line pipe from China, while Commissioner Charlotte R. Lane, Commissioner Irving A. Williamson, and Commissioner Dean A. Pinkert determined that a domestic industry is materially injured by reason of subject imports of certain circular welded carbon quality steel line pipe from China.

[10] *Certain Circular Welded Carbon Quality Steel Line Pipe from China*, *Investigation No. 731–TA–1149 (Final)*, USITC Publication 4075, May 2009, p. 1. Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun determined that a domestic industry is threatened with material injury by reason of subject imports of certain circular welded carbon quality steel line pipe from China, while Commissioner Charlotte R. Lane, Commissioner Irving A. Williamson, and Commissioner Dean A. Pinkert determined that a domestic industry is materially injured by reason of subject imports of certain circular welded carbon quality steel line pipe from China.

antidumping duty orders on line pipe from China on January 23, 2009 and May 13, 2009 respectively.[11]

The first five-year reviews

On March, 7, 2014, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on circular welded carbon quality steel line pipe from China.[12] On March, 19, 2014, Commerce published its determination that revocation of the countervailing duty order on circular welded carbon quality steel line pipe from China would be likely to lead to continuation or recurrence of subsidization by reason of imports from China.[13] On April, 7, 2014, Commerce published its determination that revocation of the antidumping duty order on circular welded carbon quality steel line pipe from China would be likely to lead to continuation or recurrence of dumping.[14] On May 2, 2014, the Commission determined that revocation of the antidumping and countervailing duty orders on circular welded carbon quality steel line pipe from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[15] Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective, May 20, 2014, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of circular welded carbon quality steel line pipe from China.[16]

PREVIOUS AND RELATED INVESTIGATIONS

Circular welded carbon quality steel line pipe been the subject of several related antidumping or countervailing duty investigations and a safeguard investigation in the United States. A listing of these investigations is presented in Table I-2.

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[11] *Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Antidumping Duty Order,* 72 FR 22515, May 13, 2009, and *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order,* 74 FR 4136, January 23, 2009.

[12] *Circular Welded Carbon Quality Steel Line Pipe From China; Scheduling of Expedited Five-Year Reviews Concerning the Countervailing and Antidumping Duty Orders on Circular Welded Carbon Quality Steel Line Pipe From China,* 79 FR 15776, March 21, 2014.

[13] *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Final Results of Expedited Sunset Review of the Countervailing Duty Order*, 79 FR 15313, March 19, 2014.

[14] *Circular Welded Carbon-Quality Steel Line Pipe From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 19052, April 7, 2014.

[15] *Circular Welded Carbon Quality Steel Line Pipe From China; Determination*, 79 FR 26454, May 8, 2014.

[16] *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Continuation of Antidumping and Countervailing Duty Orders*, 79 FR 28894, May 20, 2014.

Table I-2
Circular welded carbon quality steel line pipe: Previous and related Commission proceedings

Name of investigation	Inv. No.	Year Initiated	Publication/ FR cite	Action/status
Welded Carbon Steel Pipes and Tubes from Brazil and Korea	701-TA-165, 168	1982	1345	Brazil - terminated after Commission preliminary affirmative determination Korea - Commission final affirmative determination;[1] order revoked by Commerce effective October 1, 1984
Welded Carbon Steel Pipes and Tubes from Venezuela	731-TA-212	1984	1639	Commission preliminary negative determination[2]
Welded Carbon Steel Pipes and Tubes from Venezuela	701-TA-242 & 731-TA-253	1985	1810	Terminated by Commerce following Commission preliminary affirmative determination[2]
Welded Carbon Steel Pipes and Tubes from Taiwan, Turkey, and Yugoslavia	701-TA-252-253 & 731-TA-272-274	1985	1839	Taiwan and Yugoslavia – terminated by Commerce following Commission preliminary affirmative determinations Turkey - Commission final affirmativedetermination;[2] countervailing duty order revoked by Commerce effective January 1, 2000
Certain Line Pipes and Tubes from Canada	731-TA-375	1987	1965	Commission preliminary negative determination[3]
Circular Welded Carbon Quality Line Pipe	TA-201-70	1999	3261	Commission affirmative determination with respect to all countries except Mexico and Canada; [4] relief ended effective March 1, 2003.
Circular Welded Carbon Quality Line Pipe from China, Korea, Mexico	731-TA-1073-1075	2004	3687	China - terminated by Commerce following Commission preliminary affirmative determination Korea and Mexico - terminated after petition withdrawn[5]

Table continued on next page.

Table I-2--Continued
Circular welded carbon quality steel line pipe: Previous and related Commission proceedings

Name of investigation	Inv. No.	Year Initiated	Publication/ FR cite	Action/status
Circular Welded Carbon Quality Steel Line Pipe from Korea	731-TA-1150	2008	4055	Terminated after petition withdrawn
Certain Welded Line Pipe from Korea and Turkey	731-TA-1260-1261	2014	4580	Commission affirmative determinations. Orders in effect.[6]
Large Diameter Welded Pipe from Canada, China, Greece, India, Korea, and Turkey	701-TA-593-596 and 731-TA-1401-1406	2019	4859 & 4883	Commission affirmative determinations. Orders in effect. [7]

[1] The Commission found small (16 inches or less) diameter welded carbon steel standard, line, and structural pipes and tubes to constitute a single like product.
[2] The Commission found separate like products consisting of welded standard pipe and welded line pipe.
[3] The Commission found that the product "like" welded line pipe from Canada was welded line pipe. Commissioner Brunsdale concurred with reservations, writing that "...while I do not do so here, it appears appropriate to find that the like product consists of both standard and line pipe."
[4] The Commission found that the domestic product "like or directly competitive" with line pipe (including multiple-stenciled line pipe) was line pipe. Commissioner Crawford concluded that the record would justify defining the like or directly competitive product as both line pipe and standard pipe, although she declined to do so.
[5] The Commission found small (16 inches or less) diameter welded line pipe to constitute a single like product but in the final phase sought data on both welded standard pipe and welded line pipe.
[6] The Commission found a single like product consisting of certain welded line pipe, coextensive with the scope of the investigations (circular welded carbon and alloy steel-other than stainless-pipe of a kind used for oil and gas pipelines, not more than 24" in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling).
[7] The Commission found large (16 inches or greater) diameter welded line pipe to constitute three separate like products consisting of large diameter welded line pipe, large diameter welded structural pipe, large diameter welded stainless steel pipe.

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 or scope rulings since the imposition of the orders.

Current five-year reviews

Commerce is conducting expedited reviews with respect to these second five-year reviews and intends to issue the final results of these reviews based on the facts available not later than July 30, 2019 (see Commerce's 50-day letter).[17]

THE PRODUCT

Commerce's scope

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

> *The products covered by these AD and CVD orders are circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe) not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.*
>
> *The term "carbon quality steel" includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for non alloy steels imposed in the Harmonized Tariff Schedule of the United States ("HTSUS"). Specifically, the term "carbon quality" includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:*
>
> *(i) 2.00 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) 0.012 percent of boron, (xi) 0.50 percent of molybdenum, (xii) 0.15 percent of niobium, (xiii) 0.41 percent of titanium, (xiv) 0.15 percent of vanadium, or (xv) 0.15 percent of zirconium.*
>
> *Welded line pipe is normally produced to specifications published by the American Petroleum Institute ("API") (or comparable foreign specifications) including API A-25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or non-graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple-stenciled pipe with an API welded line pipe stencil is covered by the scope of the orders.*

[17] *Letter from Mark Hoadley, Acting Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce letter to Nannette Christ*, May 23, 2019.

Excluded from the scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have 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 welded line pipe products that are the subject of the orders are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.[18]

U.S. tariff treatment

Subject line pipe is currently imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. Line pipe produced in China enters the U.S. market at a column 1-general duty rate of "free."[19] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Sections 232 and 301 tariff treatment

HTS heading 7306, which encompasses the subject merchandise, was included in the enumeration of iron and steel articles subject to the additional 25-percent ad valorem national-security duties under Section 232 of the *Trade Expansion Act of 1962*, as amended.[20] Section 232 import duties cover all countries of origin except Argentina, Australia, Brazil, Canada, Mexico, and South Korea. Section 232 absolute quotas cover Argentina, Brazil, and South Korea.[21]

The subject line pipe produced in China is not currently enumerated in U.S.[22] and thus is not subject to additional duties under section 301 of the *Trade Act of 1974*.[23]

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[18] *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Continuation of Antidumping and Countervailing Duty Orders,* 79 FR 28894, May 20, 2014.

[19] *HTSUS (2019) Revision 3,* USITC Publication No. 4890, April 2019, pp. 73-15.

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

[21] U.S. Customs and Border Protection, Section 232 Tariffs on Aluminum and Steel, https://www.cbp.gov/trade/remedies/232-tariffs-aluminum-and-steel, retrieved June 21, 2019.

[22] *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, *subchapter III of chapter 99*, 84 FR 20459, May 9, 2019.

[23] *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.

Description and applications[24]

In general, steel pipes and tubes[25] are produced in various grades of carbon, stainless, or other alloy steel. Tubular products frequently are distinguished by the following six end uses as defined by the American Iron and Steel Institute ("AISI").

- ***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 American Society for Testing and Materials ("ASTM") specifications.
- ***Line pipe*** is used for transportation of gas, oil, or water, generally 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 to extract oil and natural gas:
    - *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 2 3/8 to 6¾ inches O.D., inclusive.

[24] Unless otherwise noted this information is based on *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation Nos. 701-TA-455 and 731-TA-1149 (Final),* USITC Publication 4055, January 2009, pp. I-10-I-11.

[25] 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.

The line pipe subject to these reviews is made from "carbon quality steel" which includes both carbon steel and carbon steel combined with small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the HTS.[26] The subject welded line pipe is a circular pipe product not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling. Line pipe is generally produced in the United States in lengths of 40 feet or greater, and with either a bare finish or a lacquered (black) finish to protect the pipe from rust, which is especially important for storage in humid climates or for waterborne transportation. End finishes typically include square cut or beveled for welding in the field. Electric Resistance Welding (ERW) is the primary method of producing smaller diameter pipe. ERW pipe produced in the United States usually has a maximum outside diameter of 24 inches with a maximum length of 80 feet and a maximum wall thickness of .63 inches. ERW pipe is limited by the coil width and is accordingly suitable for thinner walled and smaller diameter pipe.

The subject product includes pipe used in oil and gas pipelines, whether or not stenciled. Such line pipe is normally produced in conformance with the API-5L specification, and generally bears an API line pipe stencil. A "stencil" is information marked by the manufacturer with paint on the outside surface of the pipe indicating manufacturing specifications. Manufacturers often mark product with multiple specifications, a practice known as "dual stenciling." Welded line pipe for use in oil and gas pipelines requires higher hydrostatic test pressure and more restrictive weight tolerances than standard pipe, thus, given the conformance with less restrictive standard pipe and with API-5L, welded line pipe can be stenciled with both specifications so it can be used in either application.

The API-5L specification for line pipe indicates the size, grade (e.g., A-25, A, B, and X-42 through X-80), manufacturing process (seamless pipe, electric resistance welded pipe, or continuous welded pipe), heat treatment, and test pressure. The API-5L grades define the strength level of the pipe and of the steel that is used to make the pipe. For grades A-25 and X-42 to X-80, the last two digits reflect the tensile strength of the steel. Lower grades of line pipe, namely, A-25, grade A, and grade B, have lower tensile strength but have other desirable properties such as malleability.

[26] The term "carbon quality" includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated: 2.00 percent of manganese, 2.25 percent of silicon, 1.00 percent of copper, 0.50 percent of aluminum, 1.25 percent of chromium, 0.30 percent of cobalt, 0.40 percent of lead, 1.25 percent of nickel, 0.30 percent of tungsten, 0.012 percent of boron, 0.50 percent of molybdenum, 0.15 percent of niobium, 0.41 percent of titanium, 0.15 percent of vanadium, or 0.15 percent of zirconium.

Manufacturing Process[27]

U.S. mills commonly manufacture line pipe by the electric resistance weld ("ERW") process. The continuous weld ("CW") process can be used for pipe up to 4.5 inches (114.3 mm) in diameter, however, only grade A-25 can be manufactured using the CW process.[28] The manufacturing of welded line pipe by the ERW process begins with coils of hot-rolled steel sheet,[29] which are cut by a slitting machine into strips of the precise width needed to produce a desired diameter of pipe.[30] The slit coils are fed into the tube mills, which cold-form them into a tubular cylinder by a series of tapered forming rolls.

In the welding stage, the unwelded pipe is heated by electric resistance or electric induction to the desired temperature. Two electrodes are used to apply pressure and current. The electrodes are disc shaped and rotate as the material passes between them allowing the electrodes to remain in constant contact with the material to produce a continuous weld. A welding transformer supplies low voltage, high current AC power. The joint of the pipe is heated to its melting point by the current. The heated surfaces are mechanically pressed together to create a seam, which results in an evenly welded pipe.

The welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on the inside and the outside of the tube. The welded tube then passes under a tool or machine that removes the outside bead. Inside bead is also removed by the cutting tool or machine. Next, the tube is cooled, passed through a series of sizing rolls, which shape the tube to specific diameter tolerances, and cut to size at the end of the tube mill. The tube is then subjected to post-weld heat treatment as required, which may involve treatment of the welded seam only or the full cross-section of the pipe.

After heat treatment, the tube is drawn and straightened before it undergoes hydraulic testing. Welded line pipe for use in oil and gas pipelines require higher hydrostatic test pressures and more restrictive weight tolerances than standard pipe. Lastly, the tube may undergo further heat treatment or straitening as required before inspection, stenciling, and painting. Figure I-1 illustrates the ERW manufacturing process.

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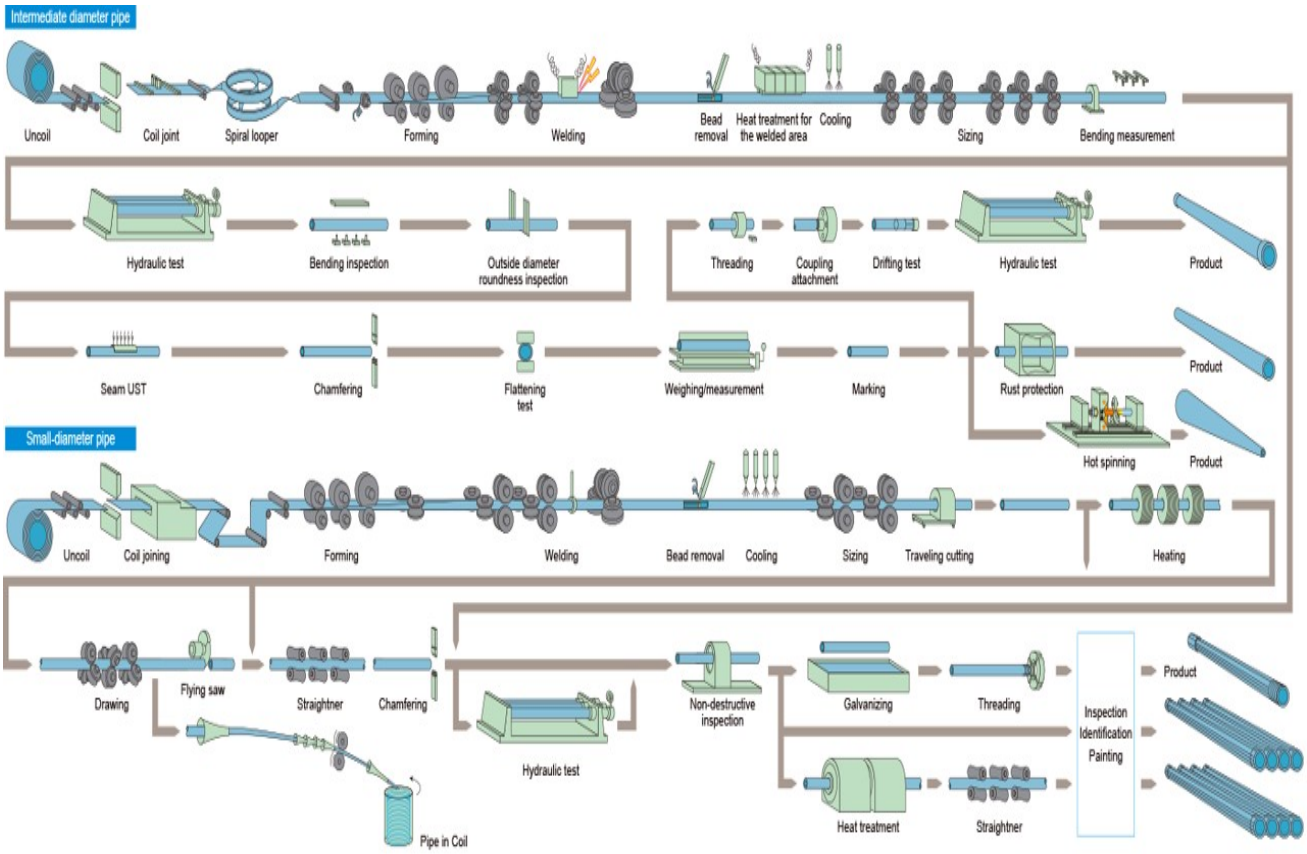
[27] Unless otherwise noted this information is based on *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation Nos. 701-TA-455 and 731-TA-1149 (Final),* USITC Publication 4055, January 2009, p. 12.

[28] *See*, API, *Specification for Line Pipe: API Specification 5L*, March 2004, p. 35.

[29] Flat-rolled steel that is more than 0.1875 inch in thickness if more than 48 inches in width, or more than 0.230 inch in thickness if 48 inches or less in width, may be called "plate in coils."

[30] The required diameter and wall thickness of a pipe are a function of the intended volume and pressure of material that is to flow through the pipe.

Figure I-1
CWCQLP: ERW manufacturing process



Source: Nippon Steel & Sumitomo Metal Corp., *Pipes and Tubes* found at http://www.nssmc.com/en/product/pipe/process/, retrieved on April 4, 2019.

THE INDUSTRY IN THE UNITED STATES

U.S. producers

During the final phase of the original investigations, the Commission collected data from nine U.S. producers of line pipe that accounted for more than 95 percent of U.S. production in 2007. Three producers, California Steel, Maverick, and U.S. Steel, together accounted for *** percent of reported 2007 production of line pipe.[31] During 2005-07, the domestic industry experienced a series of mergers and acquisitions (involving Atlas Tube, IPSCO, Lone Star Technologies Inc., Maverick, Sharon Tube, Tenaris, and Wheatland) as well as several mill closures (Wheatland closed four facilities).[32]

[31] *Investigation Nos. 701-TA-455 and 731-TA-1149 (Final): Circular Welded Carbon Quality Steel Line Pipe from China—Staff Report*, INV-FF-151, December 11, 2008, pp. III-1.

[32] *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation Nos. 701-TA-455 and 731-TA-1149 (First Review),* USITC Publication 4465, May 2014, p. I-14.

During the expedited first five-year reviews, in their response to the Commission's notice of institution, the domestic interested parties identified 12 known and currently operating line pipe producers in the United States. The domestic interested parties, which were ten of these firms, accounted for approximately *** percent of production of line pipe in the United States during 2013.[33]

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of eight known and currently operating U.S. producers of line pipe: California, IPSCO, Welspun, Wheatland, Tex-Tube, American Cast Iron Pipe Company, Stupp, and Paragon Industries. Domestic interested parties assert that they account for the vast majority of line pipe producers in the United States.[34] [35]

Recent developments

Since the Commission's last five-year review, the following developments have occurred in the circular welded carbon quality steel line pipe industry. Table I-3 summarizes important industry events that have occurred since 2014, the last five-year reviews. There have been several acquisitions since 2014, a new facility came online (California) in 2014, and there have been plants that have restarted production. A selection of the events includes the following: California commenced operations in 2014 at a new facility in Fontana, California, with an annual production capacity of 400,000 short tons. The new mill produces ERW pipe with an outside diameter of up to 24 inches. In 2019, U.S. Steel restarted a pipe mill in Lone Star, Texas, it had idled in 2016 (citing improvement in the oil industry and overall national economy). The mill has an annual capacity of 175,000–225,000 tons per year. Additionally in 2018, Northwest Pipe Company acquired Ameron Water Transmission Group, LLC, which is a major supplier of engineered welded steel pressure pipe as well as reinforced concrete pipe.

[33] *Investigation Nos. 701-TA-455 and 731-TA-1149 (First Review): Circular Welded Carbon Quality Steel Line Pipe from China—Staff Report*, INV-MM-027, April 4, 2014, pp. I-19.

[34] *Domestic interested parties' response to the notice of institution,* April 30, 2019, p. 2 and exhibit 9.

[35] Domestic interested parties believe that Maverick and U.S. Steel did not sell commercial quantities of line pipe in 2018. *Domestic interested parties' response to the notice of institution*, April 30, 2019, p. 20.

Table I-3
Circular welded carbon quality steel line pipe: Important industry events, since January 1, 2014

Year	Company	Event
2014	TPCO America	Completion of construction that began in 2011 on an end-finishing facility. The facility takes plain-ended pipe (green pipe) and turns it into finished casing pipe to be used in oil and gas production.
	California Steel	Produced its first pipe at its new mill start-up in Fontana, California. The new mill will produce ERW pipe with an outside diameter of up to 24 inches at an annual capacity of 400,000 short tons.
	U.S. Steel Corp.	Closed its McKeesport, Pennsylvania, and Bellville, Texas, mills that produced line pipe and OCTG products. The mills had annual production capacities of 315,000 and 100,000 short tons, respectively.
	Centric Pipe	Invested $32.5 million to renovate and expand the former Northwest Pipe facility in Bossier City, Louisiana, while creating 82 jobs.
2015	U.S. Steel Corp.	Temporarily adjusted operations at its Lone Star Tubular plant in Texas. The company announced plans to reduce the number of employees at the facility.
	Northwest Pipe Co.	Temporarily curtailed production at its welded pipe mill in Atchison, Kansas.
	American Steel Pipe	2013 expansion of a new processing facility was completed and increased ASP's processing capacity to 700,000 net tons.
	Axis Pipe and Tube	Commenced operations at a Bryan, Texas, facility encompassing a wide range of ERW API energy tubular products up to 16 inches in outside diameter. The facility has a capacity of 300,000 short tons per year.
	TMK Ipsco	Announced a temporary job cut (88 employees) at its plant in Camanche, IA.
2016	U.S. Steel Corp.	Idled three plants and laid off workers at Fairfield Tubular in Alabama, Lone Star Tubular in Texas, and Lorain in Ohio. In December 2016, the company announced it would permanently close the No. 1 electric-weld mill in Lone Star and the No. 4 seamless pipe mill in Lorain, Ohio.
	Welspun Tubular	Announced it laid off 100 employees. Additionally, the company laid off between 120 and 140 temporary employees along with 20 full-time employees earlier in the year.
	Welspun Tubular	Received a $47 million contract to manufacture pipe needed to construct the multistate Diamond Pipeline that will ship light, sweet premium grade crude oil from Cushing, Oklahoma, to Memphis, Tennessee.
	Evraz North America	Closed its steel pipe plant in North Portland on April 9, laying off 230 employees there indefinitely.
2017	Northwest Pipe Co.	Announced it sold its remaining Energy Tubular Products assets in Atchison, Kansas, to Almacenadora Afirme, S.A. de C.V., Organización Auxiliar del Crédito, Afirme Grupo Financiero, a Mexican corporation, for a purchase price of $37.2 million in cash.
	Dura-Bond	Temporarily laid off 180 employees at its Steelton, PA, steel pipe mill.
2018	Dura-Bond	Acquired from U.S. Steel and restarted the ERW steel pipe mill, which is API 5L and ASTM certified, in McKeesport, Pennsylvania.
2019	U.S. Steel Corp.	U.S. Steel restarted the No. 2 welded pipe mill that it idled in 2016 at the Lone Star, Texas tubular operations.

Source: American Metal Market news articles, news articles from other sources, and company websites.

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.[36] Table I-4 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 its expedited, first five-year review.

Table I-4
Circular welded carbon quality steel line pipe: Trade and financial data submitted by U.S. producers, 2007, 2012, and 2018

Item	2007	2012	2018[1]
Capacity	1,035,515	***	***
Production (short tons)	769,607	***	***
Capacity utilization (percent)	74.3	***	***
Total U.S. shipments:			
Quantity (short tons)	727,185	***	***
Value ($1,000)	757,701	***	***
Unit value (per short ton)	1,042	***	***
Net sales ($1,000)	780,944	***	***
COGS ($1,000)	674,102	***	***
COGS/net sales (percent)	86.3	***	***
Gross profit or (loss) ($1,000)	106,842	***	***
SG&A expenses (loss) ($1,000)	37,561	***	***
Operating income/(loss) ($1,000)	69,281	***	***
Operating income (loss)/net sales (percent)	8.9	***	***

[1] The U.S. producers' data presented in 2018 is aggregated based on the responses of the domestic interested parties' reported data for California Steel, IPSCO, Welspun, and Wheatland.

Source: For 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 2018, data are compiled using data submitted by domestic interested parties: *Domestic Interested parties' Response to the Notice of Institution*, April 14, 2014, p. 19-20. *Domestic Interested parties' Response to the Notice of Institution*, April 30, 2019, exhibit 2, *Domestic interested parties' comments on adequacy*, June 13, 2019, p. 2, *Domestic interested parties' response to cure letter*, June 17, 2019, p. 2 and exhibit 1, and email message from ***, June 18, 2019.

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

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.[37]

In its original determinations and its expedited five-year review determinations, the Commission defined the domestic like product as consisting of circular welded carbon quality steel line pipe, 16 inches or less in outside diameter, corresponding to the scope of the investigations.[38] In its original determination and its prior five-year review determinations, the Commission defined the domestic industry as all U.S. producers of the domestic like product. [39]

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate definitions of the domestic like product and domestic industry. In their response to the Commission's notice of institution, the domestic producers indicated that they agree with the Commission's definitions of the domestic like product and domestic industry that were adopted in the original investigations.[40] No further comment on the domestic like product or domestic industry definitions has been filed with the Commission in this proceeding.

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

U.S. importers

In response to Commission questionnaires issued to importers during the original investigations, 31 firms supplied usable data. Responding importers were believed to account for 64 percent of the quantity of subject U.S. line pipe imports from China and 54 percent of U.S. imports from nonsubject sources during January 2005 to September 2008. During this time

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

[38] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation Nos. 701-TA-455 and 731-TA-1149 (Final)*, USITC Publication 4055, January 2009, p. 4, and *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation Nos. 701-TA-455 and 731-TA-1149 (First Review),* USITC Publication 4464*,* May 2014, p. I-7.

[39] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation Nos. 701-TA-455 and 731-TA-1149 (Final)*, USITC Publication 4055, January 2009, p. 6, and *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation Nos. 701-TA-455 and 731-TA-1149 (First Review),* USITC Publication 4464*,* May 2014, pp. I-7-I-8.

[40] *Domestic interested parties' response to the notice of institution,* April 30, 2019, p. 22.

frame, the largest importers of subject line pipe from China were *** and the largest importers of line pipe from other sources were ***.[41]

In the first five-year reviews, in their substantive response to the Commission's notice of institution, the domestic interested parties observed that the number of U.S. importers importing the subject merchandise from China had likely declined following the issuance of the subject orders. Nonetheless, they identified one possible U.S. importer (***) in addition to the original 31 identified by the Commission.[42]

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 provided a list of 23 potential U.S. importers of line pipe from China.[43]

U.S. imports

Table I-5 presents the quantity, value, and unit value for imports from China as well as the other top sources (Korea and Mexico) of U.S. imports. The quantity of imports of line pipe from China decreased from 2014 to 2017, but increased from 2017 to 2018. The value of imports from China increased slightly from 2014 to 2018. The quantity and values for nonsubject U.S. imports from Korea and Mexico decreased during 2014-18, while the quantity and value for U.S. imports from all other sources increased. Unit values increased (for both subject and nonsubject imports) from 2014-18.

[41] *Investigation Nos. 701-TA-455 and 731-TA-1149 (Final): Circular Welded Carbon Quality Steel Line Pipe from China—Staff Report*, INV-FF-151, December 11, 2008, p. I-4.

[42] *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation Nos. 701-TA-455 and 731-TA-1149 (First Review),* USITC Publication 4465*,* May 2014, pp. I-16 and I-17, and *Investigation Nos. 701-TA-455 and 731-TA-1149 (First Review): Circular Welded Carbon Quality Steel Line Pipe from China—Staff Report*, INV-MM-027, April 4, 2014, pp. I-22.

[43] *Domestic interested parties' response to the notice of institution,* April 30, 2019, exhibit 9.

Table I-5
Circular welded carbon quality steel line pipe: U.S. imports, 2014-18

Item	2014	2015	2016	2017	2018
	Quantity (short tons)				
China	5,456	5,224	2,685	608	3,293
Korea	632,553	529,042	305,091	548,794	317,786
Mexico	124,644	53,938	38,925	131,675	98,428
All other	287,137	248,773	108,805	194,122	288,833
Total imports	1,049,790	836,977	455,506	875,199	708,340
	Value ($1,000)				
China	4,017	3,156	1,432	1,012	4,228
Korea	480,468	384,732	150,580	373,501	250,574
Mexico	118,245	52,260	32,745	119,441	112,023
All other	248,916	222,616	81,702	148,653	292,897
Total imports	851,646	662,764	266,459	642,607	659,812
	Unit value (dollars per short ton)				
China	736	604	533	1,664	1,284
Korea	760	727	494	681	788
Mexico	949	969	841	907	1,138
All other	892	908	775	823	1,045
Total imports	811	792	585	734	931

Note.--Because of rounding, figure may not add to total shown. The share of quantity for U.S. imports from China did not exceed ten percent in any year, during 2014-2018.

Source: Official statistics of Commerce for HTS statistical reporting numbers 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50 of the HTSUS. Retrieved on June 4, 2019.

Apparent U.S. consumption and market shares

Table I-6 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-7 presents data on U.S. market shares of U.S. apparent consumption. Since the first five-year reviews, apparent consumption has declined by *** percent, based on quantity, while apparent consumption based on value has declined by *** percent. U.S. producers' market shares have declined by *** percentage points, based on quantity, and *** percentage points, based on value, since the first five-year reviews.

Table I-6
Circular welded carbon quality steel line pipe: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2007, 2012, and 2018

Item	2007	2012	2018
	Quantity (short tons)		
U.S. producers' U.S. shipments	727,185	***	***
U.S. imports from—			
China	236,358	8,449	3,293
Korea	178,177	596,717	317,786
Mexico	[1]	113,511	98,428
All other	412,183	355,381	288,833
Total imports	648,541	1,074,058	708,340
Apparent U.S. consumption	1,375,726	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	757,701	***	***
U.S. imports from—			
China	153,881	7,655	4,228
Korea	132,660	557,473	250,574
Mexico	[1]	127,365	112,023
All other	315,411	368,342	292,897
Total imports	469,292	1,060,835	659,812
Apparent U.S. consumption	1,226,993	2,279,451	***

[1] Data not available for Mexico for 2007.

Source: For years 2007 and 2012, data compiled using data submitted in the Commission's original investigations and first five year reviews. See app. C. For the year 2018, data are compiled using data submitted by domestic interested parties: *Domestic interested parties' response to the notice of institution,* April 30, 2019, exhibit 9, *Domestic interested parties' comments on adequacy*, June 13, 2019, p. 2, and *Domestic interested parties' response to cure letter*, June 17, 2019, p. 2 and exhibit 1, and Official statistics of Commerce for HTS statistical reporting numbers 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50 of the HTSUS. Retrieved on June 4, 2019.

Table I-7
Circular welded carbon quality steel line pipe: Apparent U.S. consumption and U.S. market shares, 2007, 2012, and 2018

Item	2007	2012	2018[1]
	Quantity (*short tons*)		
Apparent U.S. consumption	1,375,726	***	***
	Value (*1,000 dollars*)		
Apparent U.S. consumption	1,226,993	2,279,451	***
	Share of consumption based on quantity (*percent*)		
U.S. producer's share	52.9	***	***
U.S. imports from--			
China	17.2 [2]	***	***
Korea	13.0	***	***
Mexico	[1]	***	***
All other sources	13.8	***	***
Total imports	47.1	***	***
	Share of consumption based on value (*percent*)		
U.S. producer's share	61.8	***	***
U.S. imports from--			
China	12.5 [2]	***	***
Korea	10.8	***	***
Mexico	[1]	***	***
All other sources	25.7	***	***
Total imports	38.2	***	***

[1] Data not available for Mexico for 2007.
[2] Does not include U.S. imports of multiple stenciled from China (2007).

Source: For years 2007 and 2012, data compiled using data submitted in the Commission's original investigations and first five year reviews. See app. C. For the year 2018, data are compiled using data submitted by domestic interested parties: *Domestic interested parties' response to the notice of institution,* April 30, 2019, exhibit 9, *Domestic interested parties' comments on adequacy*, June 13, 2019, p. 2, and *Domestic interested parties' response to cure letter*, June 17, 2019, p.2 and exhibit 1, and Official statistics of Commerce for HTS statistical reporting numbers 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50 of the HTSUS. Retrieved on June 4, 2019.

THE INDUSTRY IN CHINA

Background

During the final phase of the original investigations, the Commission issued questionnaires to 65 firms that were identified as possible producers or exporters of line pipe from China. Only a single firm, Kunshan Pearl, provided data, although the Commission report also included aggregate information from five companies that produced both standard and structural pipe and line pipe, indicating that those five firms were operating with capacity utilization of 94.4 percent in 2007 (based on operations for all welded pipe). These five firms were: Benxi Northern Steel Pipe Co., Ltd.; Liaoning Northern Steel Pipe Co., Ltd.; Shanghai Alison Steel Pipe Co., Ltd.; Tai Feng Qiao Metal Products Co. Ltd.; and Tianjin Lifengyuanda Steel Group Co., Ltd.[44]

In the first five-year reviews, the Commission did not receive any responses to the notice of institution from foreign producers or exporters. The domestic industry identified 52 known producers or exporters of line pipe.[45]

Although the Commission did not receive responses from any respondent interested parties in the current proceeding, the domestic interested parties provided a list of 35 firms that they believe currently produce circular welded carbon quality steel line pipe in China.[46]

[44] *Circular Welded Carbon Quality Steel Line Pipe from China*, *Investigation Nos. 701-TA-455 and 731-TA-1149(Final),* USITC Publication 4055, January 2009, p. VII-4 – VII-7.

[45] *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation Nos. 701-TA-455 and 731-TA-1149 (First Review),* USITC Publication 4464, May 2014, p. I-26.

[46] *Domestic interested parties' response to the notice of institution,* April 30, 2019, exhibit 10.

Table I-8 presents export data for steel line pipe from China in descending order of quantity for 2018.

Table I-8
Steel line pipe: Exports of line pipe from China, by destination, 2014-18

Destination market	Calendar year				
	2014	2015	2016	2017	2018
	Quantity (short tons)				
Australia	69,774	58,038	69,385	100,750	95,842
Chile	52,657	65,576	55,962	56,078	62,058
Singapore	5,524	5,940	7,086	13,716	26,585
United Arab Emirates	11,542	18,919	26,601	30,048	25,846
Vietnam	5,188	7,249	13,237	24,828	24,308
Philippines	13,962	26,764	12,375	16,526	21,958
Malaysia	5,121	4,774	16,527	22,117	16,771
Peru	5,994	11,784	9,371	15,851	16,539
Bangladesh	1,941	6,817	6,138	7,010	16,046
Hong Kong	18,161	20,556	24,679	21,172	15,909
All other	442,564	419,714	224,890	222,851	204,957
Total	632,428	646,131	466,251	530,947	526,819

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7306.19. These data may be overstated as HTS 7306.19 may contain products outside the scope of these reviews.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

There are trade remedies on circular welded carbon quality steel line pipe in third-country markets. Canada's Border Service Agency placed antidumping and countervailing duties on circular welded carbon quality steel line pipe originating in or exported from the China. The Canadian International Trade Tribunal's ("CITT") final determination was issued on February 24, 2016. The duties will remain in place for five years. Canada's Border Service Agency made final determinations on goods under the following Harmonized System (HS) classification numbers at the 6-digit level: 7304.19, 7305.11, 7305.12, 7305.19 and 7306.19.[47] CITT issued eight exporters

[47] The CITT described the goods, in its final finding, as "Carbon and alloy steel line pipe originating in or exported from the People's Republic of China, welded or seamless, having an outside diameter from 2.375 inches (60.3 mm) up to and including 24 inches (609.6 mm), including line pipe meeting or supplied to meet any one or several of API 5L, CSA Z245.1, ISO 3183, ASTM A333, ASTM A106,

nominal-value antidumping duties while setting an antidumping duty rate of 315.4 percent for all other importations of the subject goods. Eight importer-specific countervailing duties rates were set in addition to a broad countervailing duty to exporters that were not issued specific amounts of subsidy, the countervailing duties were set to 989.97 Renminbi per metric ton.[48]

The European Commission ("EU") issued an implementing regulation on February 1, 2019, imposing definitive safeguard measures against imports of certain steel products. The EU placed tariff-rate quotas on various types of welded pipes imported under HS subheadings 7306.19.90 and 7306.19.10. China was allocated 18,010.22 net tons from February 2, 2019, to June 30, 2019; 46,324.96 net tons from July 1, 2019, to June 30, 2020; and 48,641.20 metric tons from July 1, 2020 to June 30, 2021. An additional 25-percent duty rate applies to imports in excess of the aforementioned quantities.[49]

On March 8, 2018, the government of Mexico imposed duties on "carbon and alloy steel tubing with longitudinal seams and a circular, square, or rectangular cross-section" under HTS subheading 7306.19.99, exported or originating from China. The duties were set from $.356 to $.618 per kilogram.[50]

THE GLOBAL MARKET

Table I-9 presents the largest global importers of steel line pipe. The largest importers by quantity in 2018 were, in descending order, the United States, Canada, Australia, the Netherlands, and Germany. The United States' global share of imports was 52.7 percent in 2018. Since 2014, total global imports decreased by 41.8 percent, while imports by the United States also decreased by 32.8 percent over this period.

ASTM A53-B or their equivalents, in all grades, whether or not meeting specifications for other end uses (e.g. single-, dual-, or multiple-certified, for use in oil and gas, piling pipe, or other applications), and regardless of end finish (plain ends, beveled ends, threaded ends, or threaded and coupled ends), surface finish (coated or uncoated), wall thickness, or length, excluding galvanized line pipe and excluding stainless steel line pipe (containing 10.5 percent or more by weight of chromium)."

[48] *Line pipe 1: Measures in Force*, https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev-eng.html, retrieved May 3, 2019.

[49] *Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products*. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159&from=EN, retrieved April 19, 2019.

[50] World Trade Organization, Anti-Dumping, https://www.wto.org/english/tratop_e/adp_e/adp_e.htm, retrieved April 19, 2019.

Table I-9
Steel line pipe: Imports by destination market, 2014-18

Source	Calendar year				
	2014	2015	2016	2017	2018
	Quantity (short tons)				
United States	1,049,790	836,977	455,506	875,199	705,240
Canada	227,911	110,052	46,483	53,588	115,068
Australia	175,644	87,958	92,485	104,442	86,210
Netherlands	24,415	20,533	15,698	14,557	46,000
Germany	29,731	41,053	47,713	44,111	40,411
Romania	6,204	6,983	8,134	8,668	38,346
Poland	32,486	27,114	36,930	68,423	27,489
Indonesia	24,891	24,574	11,403	14,006	20,643
Malaysia	64,166	26,401	30,867	20,383	20,149
Mexico	16,155	23,628	30,370	18,264	17,751
All other	649,051	435,915	857,322	416,301	220,787
Total	2,300,444	1,641,188	1,632,911	1,637,942	1,338,094

Source: Official imports statistics under HS subheading 7306.19 as reported in the HIS Markit Global Trade Atlas database, accessed April 10, 2019. Import figures may include product excluded from the scope of these reviews.

Table I-10 presents the largest global exporters of steel line pipe. The largest exporters by quantity in 2018 were, in descending order, China, Korea, Turkey, Mexico, and Germany. China's global share of exports was 27.5 percent. Since 2014, total global exports decreased by 30.7 percent, while exports by the United States also decreased by 32.7 percent over this period.

Table I-10
Steel line pipe: Exports by source market, 2014-18

Source	Calendar Year				
	2014	2015	2016	2017	2018
	Quantity (short tons)				
China	632,425	646,133	466,251	530,946	526,817
South Korea	865,215	521,423	518,678	686,432	477,581
Turkey	260,665	214,668	162,322	91,469	125,406
Mexico	123,872	51,848	36,229	123,771	117,250
Germany	76,834	43,292	51,784	77,390	94,539
India	88,694	58,845	60,791	156,002	87,028
Taiwan	75,750	51,078	47,370	61,481	84,075
United States	82,601	35,099	25,969	59,383	55,586
Russia	19,764	33,657	43,182	32,545	44,415
Japan	136,040	54,782	36,756	34,734	41,163
All other	403,842	375,574	201,645	375,384	263,451
Total	2,765,702	2,086,399	1,650,977	2,229,537	1,917,311

Source: Official exports statistics under HS subheading 7306.19 as reported in the HIS Markit Global Trade Atlas database, accessed April 10, 2019. Export figures may include product excluded from 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 12285 April 1, 2019	*Circular Welded Carbon Quality Steel Line Pipe From China; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2019-04-01/pdf/2019-06189.pdf
84 FR 12227 April 1, 2019	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2019-04-01/pdf/2019-06217.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Item	California Steel	IPSCO	Welspun	Wheatland	Total
	Quantity=short tons; value=1,000 dollars				
Nature of operation	✓	✓	✓	✓	✓
Statement of intent to participate	✓	✓	✓	✓	✓
Statement of likely effects of revoking the order	✓	✓	✓	✓	✓
U.S. producer list	✓	✓	✓	✓	✓
U.S. importer/foreign producer list	✓	✓	✓	✓	✓
List of 3-5 leading purchasers	✓	✓	✓	✓	✓
List of sources for national/regional prices	✓	✓	✓	✓	✓
Production:					
Quantity	***	***	***	***	***
Percent of total reported	***	***	***	***	100.0
Capacity	***	***	***	***	***
Commercial shipments:					
Quantity	***	***	***	***	***
Value	***	***	***	***	***
Internal consumption:					
Quantity	***	***	***	***	***
Value	***	***	***	***	***
Net sales	***	***	***	***	***
COGS	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***
SG&A expenses (loss)	***	***	***	***	***
Operating income/(loss)	***	***	***	***	***
Changes in supply/demand	✓	✓	✓	✓	✓

Note.—The production, capacity, and shipment data presented are for calendar year 2018. The financial data are for fiscal year ended December 31, 2018.

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

APPENDIX C

SUMMARY DATA COMPILED FROM PREVIOUS PROCEEDINGS

DATA COMPILED IN ORIGINAL INVESTIGATIONS

Table C-1

Circular welded steel line pipe: Summary data concerning the U.S. market, 2005-07, January-September 2007, and January-September 2008

(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			
				January-September					Jan.-Sept.
Item	2005	2006	2007	2007	2008	2005-07	2005-06	2006-07	2007-08
U.S. consumption quantity:									
Amount	872,471	1,403,335	1,375,726	1,092,875	1,083,406	57.7	60.8	-2.0	-0.9
Producers' share (1)	59.9	49.5	52.9	54.0	55.5	-7.1	-10.5	3.4	1.5
Importers' share (1):									
Subject U.S. imports from--									
China	1.8	12.1	17.2	16.2	10.3	15.4	10.3	5.1	-5.9
Nonsubject U.S. imports from--									
China (multiple-stenciled)	1.4	3.9	3.2	3.6	0.6	1.8	2.5	-0.7	-3.0
Korea	10.1	13.3	13.0	12.5	14.8	2.9	3.2	-0.3	2.3
All other sources	26.8	21.3	13.8	13.7	18.7	-13.0	-5.5	-7.5	5.0
Nonsubject subtotal	38.3	38.5	30.0	29.9	34.2	-8.3	0.2	-8.5	4.4
Total imports	40.1	50.5	47.1	46.0	44.5	7.1	10.5	-3.4	-1.5
U.S. consumption value:									
Amount	780,174	1,212,303	1,226,993	976,316	1,247,711	57.3	55.4	1.2	27.8
Producers' share (1)	65.1	57.3	61.8	62.6	64.0	-3.3	-7.8	4.5	1.4
Importers' share (1):									
Subject U.S. imports from--									
China	1.5	8.7	12.5	12.1	6.7	11.1	7.2	3.8	-5.3
Nonsubject U.S. imports from--									
China (multiple-stenciled)	1.0	2.6	2.2	2.5	0.4	1.3	1.6	-0.4	-2.1
Korea	8.6	10.5	10.8	10.3	10.7	2.2	1.8	0.4	0.3
All other sources	23.8	20.9	12.7	12.5	18.2	-11.2	-2.9	-8.3	5.7
Nonsubject subtotal	33.4	34.0	25.7	25.3	29.2	-7.7	0.6	-8.3	3.9
Total imports	34.9	42.7	38.2	37.4	36.0	3.3	7.8	-4.5	-1.4
Subject U.S. imports from:									
China (minus multiple stenciled):									
Quantity	15,549	169,652	236,358	176,730	111,125	1420.1	991.1	39.3	-37.1
Value	11,543	105,754	153,881	117,734	84,042	1233.1	816.2	45.5	-28.6
Unit value	$742	$623	$651	$666	$756	-12.3	-16.0	4.4	13.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject U.S. imports from:									
China (multiple-stenciled).									
Quantity	12,124	54,705	44,462	39,580	7,006	266.7	351.2	-18.7	-82.3
Value	7,648	31,793	27,477	24,456	5,034	259.3	315.7	-13.6	-79.4
Unit value	$631	$581	$618	$618	$719	-2.0	-7.9	6.3	16.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Korea:									
Quantity	87,923	186,285	178,177	136,778	160,669	102.7	111.9	-4.4	17.5
Value	67,417	126,705	132,660	101,010	132,885	96.8	87.9	4.7	31.6
Unit value	$767	$680	$745	$738	$827	-2.9	-11.3	9.5	12.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	234,044	298,681	189,544	149,877	203,114	-19.0	27.6	-36.5	35.5
Value	185,863	253,886	155,275	121,595	226,723	-16.5	36.6	-38.8	86.5
Unit value	$794	$850	$819	$811	$1,116	3.2	7.0	-3.6	37.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject imports:									
Quantity	334,091	539,671	412,183	326,235	370,789	23.4	61.5	-23.6	13.7
Value	260,929	412,384	315,411	247,061	364,642	20.9	58.0	-23.5	47.6
Unit value	$781	$764	$765	$757	$983	-2.0	-2.2	0.1	29.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	349,640	709,323	648,541	502,966	481,914	85.5	102.9	-8.6	-4.2
Value	272,471	518,138	469,292	364,795	448,684	72.2	90.2	-9.4	23.0
Unit value	$779	$730	$724	$725	$931	-7.1	-6.3	-0.9	28.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued

Circular welded steel line pipe: Summary data concerning the U.S. market, 2005-07, January-September 2007, and January-September 2008

(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			
				January-September					Jan.-Sept.
Item	2005	2006	2007	2007	2008	2005-07	2005-06	2006-07	2007-08
U.S. producers':									
Average capacity quantity	946,891	947,312	1,035,515	835,464	805,361	9.4	0.0	9.3	-3.6
Production quantity	570,076	749,202	769,607	621,294	601,226	35.0	31.4	2.7	-3.2
Capacity utilization (1)	60.2	79.1	74.3	74.4	74.7	14.1	18.9	-4.8	0.3
U.S. shipments:									
Quantity	522,831	694,012	727,185	589,909	601,492	39.1	32.7	4.8	2.0
Value	507,703	694,165	757,701	611,521	799,027	49.2	36.7	9.2	30.7
Unit value	$971	$1,000	$1,042	$1,037	$1,328	7.3	3.0	4.2	28.1
Export shipments:									
Quantity	60,968	50,293	16,401	13,435	***	-73.1	-17.5	-67.4	***
Value	61,653	53,030	16,634	13,725	***	-73.0	-14.0	-68.6	***
Unit value	$1,011	$1,054	$1,014	$1,022	***	0.3	4.3	-3.8	***
Ending inventory quantity	44,254	49,637	78,920	70,542	57,688	78.3	12.2	59.0	-18.2
Inventories/total shipments (1)	7.6	6.7	10.6	8.8	***	3.0	-0.9	3.9	***
Production workers	770	919	1,028	1,050	960	33.5	19.4	11.9	-8.6
Hours worked (1,000s)	1,472	1,869	2,069	1,616	1,495	40.5	26.9	10.7	-7.5
Wages paid ($1,000s)	34,271	42,841	47,892	36,166	38,246	39.7	25.0	11.8	5.7
Hourly wages	$23.28	$22.92	$23.14	$22.38	$25.59	-0.6	-1.5	1.0	14.3
Productivity (tons/1,000 hours)	387.2	400.9	371.9	384.4	402.3	-3.9	3.5	-7.2	4.6
Unit labor costs	$60.12	$57.18	$62.23	$58.21	$63.61	3.5	-4.9	8.8	9.3
Net sales:									
Quantity	586,170	745,701	741,853	582,055	617,520	26.6	27.2	-0.5	6.1
Value	574,930	749,831	780,944	611,348	815,734	35.8	30.4	4.1	33.4
Unit value	$981	$1,006	$1,053	$1,050	$1,321	7.3	2.5	4.7	25.8
Cost of goods sold (COGS)	457,816	577,876	674,102	520,254	614,386	47.2	26.2	16.7	18.1
Gross profit or (loss)	117,114	171,955	106,842	91,094	201,348	-8.8	46.8	-37.9	121.0
SG&A expenses	23,599	34,702	37,561	28,861	32,421	59.2	47.0	8.2	12.3
Operating income or (loss)	93,515	137,253	69,281	62,233	168,927	-25.9	46.8	-49.5	171.4
Capital expenditures	7,916	11,395	11,054	7,693	7,554	39.6	43.9	-3.0	-1.8
Unit COGS	$781	$775	$909	$894	$995	16.3	-0.8	17.3	11.3
Unit SG&A expenses	$40	$47	$51	$50	$53	25.8	15.6	8.8	5.9
Unit operating income or (loss)	$160	$184	$93	$107	$274	-41.5	15.4	-49.3	155.9
COGS/sales (1)	79.6	77.1	86.3	85.1	75.3	6.7	-2.6	9.3	-9.8
Operating income or (loss)/ sales (1)	16.3	18.3	8.9	10.2	20.7	-7.4	2.0	-9.4	10.5

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

Note.--Figures for China (subject) are based on official statistics of the U.S. Department of Commerce less the figures reported by importers for excluded multiple-stenciled pipe.

Note.--Financial data are reported on a fiscal year basis 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 official statistics of the U.S. Department of Commerce and data submitted in response to Commission questionnaires.

DATA COMPILED IN FIRST REVIEWS

Table I-4
Line pipe: U.S. producers' trade and financial data, 2005-07 and 2012

Item	2005	2006	2007	2012
Capacity	946,891	947,312	1,035,515	***
Production *(short tons)*	570,076	749,202	769,607	***
Capacity utilization (*percent*)	60.2	79.1	74.3	***
U.S. shipments				
Quantity (*short tons*)	522,831	694,012	727,185	***
Value (*1,000 dollars*)	507,703	694,165	757,701	***
Unit value (*dollars per short ton*)	971	1,000	1,042	***
Net sales				
Quantity (*short tons*)	586,170	745,701	741,853	N/A
Value (*1,000 dollars*)	574,930	749,831	780,944	***
Unit value (*dollars per short ton*)	981	1,006	1,053	***
Cost of goods sold (*COGS*) *($1,000*)	457,816	577,876	674,102	***
Gross profit or (loss) *($1,000*)	117,114	171,955	106,842	***
SG&A *($1,000*)	23,599	34,702	37,561	***
Operating income or (loss) *($1,000*)	93,515	137,253	69,281	***
COGS/sales (*percent*)	79.6	77.1	86.3	***
Operating income or (loss)/sales (*percent*)	16.3	18.3	8.9	***

Note.—Several producers did not allocate capacity between line pipe and other tubular products produced on the same equipment. Capacity, therefore, is substantially overstated.

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation No. 701-TA-455,* USITC Publication 4055 January 2009, table C-1 and *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2, 2014, exhs. 25, 26, 27, 28, and 29.

The domestic interested parties contend that their current condition is extremely vulnerable to any increase in the volume of unfairly traded imports. They point to declining demand and import penetration.[41]

U.S. Imports and Apparent Consumption

U.S. importers[42]

In response to Commission questionnaires issued to importers during the original investigations, 31 firms supplied usable data. Responding importers were believed to account for 64 percent of the quantity of subject U.S. line pipe imports from China and 54 percent of U.S. imports from nonsubject sources during January 2005 to September 2008. During this

[41] *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2, 2014, p. 20-21.

[42] All information is from the original staff report unless otherwise indicated. *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, pp. IV-1 to IV-2.

Table I-5
Line pipe: U.S. imports data, 2005-07 and 2012-2013

Item	2005	2006	2007	2012	2013
	Quantity (*short tons*)				
China	15,549	169,652	236,358	8,449	2,721
All other	334,091	539,671	412,183	1,065,609	915,947
Total imports	349,640	709,323	648,541	1,074,059	918,668
	Value (*$1,000*)				
China	11,543	105,754	153,881	7,655	2,274
All other	260,929	412,384	315,411	1,053,180	814,018
Total imports	272,472	518,138	469,292	1,060,835	816,292
	Unit value (*dollars per short ton*)				
China	742	623	651	906	836
All other	781	764	765	988	889
Average, total	779	730	724	988	889
	Share of quantity (*percent*)				
China	4.4	23.9	36.4	0.8	0.3
All other	95.6	76.1	63.6	99.2	99.7
Total	100	100	100	100	100.0

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

Source: *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation No. 701-TA-455,* USITC Publication 4055, January 2009, table C-1.

The domestic producers participating in the current five-year review acknowledged the Commission's findings in its original investigations.[45] Also, the domestic producers stated in their response to the Commission's notice of institution that "in the instant reviews, the evidence clearly establishes that the Orders have kept dumped and subsidized imports of welded line pipe from China out of the U.S. market."[46] According to U.S. producers, the U.S market remains attractive and the number and diversity of nonsubject import sources establishes that the U.S. market remains an attractive market for imports generally. Moreover, they contend, Chinese welded line pipe producers continue to solicit sales opportunities, even from U.S. producers, notwithstanding the subject orders.[47]

Table I-6 presents the quantity, value, unit value, and share of quantity for the top sources of U.S. imports as well as China. Imports of line pipe from China decreased from 127,511 short tons in 2008 to 2,721 short tons in 2013. In 2013, Korea was the largest source of imports, having increased from 241,596 to 570,365 short tons between 2008 and 2013. Imports from Korea now account for 62.1 percent of total U.S. imports of line pipe.

[45] *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2, 2014, pp. 5-6.

[46] Ibid. p. 19.

[47] Ibid. pp. 16-17.

Table I-6
Line pipe: U.S. imports data, 2008-13

Source	2008	2009	2010	2011	2012	2013
Quantity (*short tons*)						
China	127,511	2,313	3,607	7,068	8,449	2,721
Korea (nonsubject)	241,596	143,275	261,252	484,132	596,717	570,365
Mexico (nonsubject)	159,167	67,133	125,144	139,696	113,511	120,202
All other sources	144,466	98,101	100,237	213,636	355,381	225,380
Subtotal, nonsubject	545,229	308,509	486,633	837,464	1,065,609	915,947
Total imports	672,740	310,822	490,240	844,532	1,074,058	918,668
Value *($1,000)*						
China	99,206	2,707	2,398	7,342	7,655	2,274
Korea (nonsubject)	230,409	134,776	208,389	451,816	557,473	501,055
Mexico (nonsubject)	230,342	77,567	124,402	164,400	127,365	117,536
All other sources	153,849	117,861	92,675	213,997	368,342	195,427
Subtotal, nonsubject	614,600	330,204	425,466	830,213	1,053,180	814,018
Total imports	713,806	332,911	427,864	837,555	1,060,835	816,292
Unit value (*dollars per short ton*)						
China	778	1,170	665	1,039	906	836
Korea (nonsubject)	954	941	798	933	934	878
Mexico (nonsubject)	1,447	1,155	994	1,177	1,122	978
All other sources	1,065	1,201	925	1,002	1,036	867
Subtotal, nonsubject	1,127	1,070	874	991	988	889
Average	1,061	1,117	845	1,038	1,000	890
Share of quantity (*percent)*						
China	19.0	0.7	0.7	0.8	0.8	0.3
Korea (nonsubject)	35.9	46.1	53.3	57.3	55.6	62.1
Mexico (nonsubject)	23.7	21.6	25.5	16.5	10.6	13.1
All other sources	21.5	31.6	20.4	25.3	33.1	24.5
Subtotal, nonsubject	81.0	99.3	99.3	99.2	99.2	99.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

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

Source: Compiled from official statistics of Commerce for HTS statistical reporting numbers 7306.19.1010 and 7306.19.1050. Line pipe may also be imported under the statistical reporting numbers for alloy line pipe, (7306.19.5110, and 7306.19.5150) but during the original investigation, these imports were minimal. *Circular Welded Carbon Quality Steel Line Pipe from China, Inv. No. 701-TA-455 (Final)*, Publication 4055, January 2009, p. IV-1.n.2.

Ratio of imports to U.S. production

Table I-7 presents the ratio of U.S. imports to U.S. production

Table I-7
Line welded pipe: Ratio of imports to U.S. production, 2005-07 and 2012

Item	Calendar year			
	2005	2006	2007	2012
Ratio of imports to U.S. production				
China	2.7	22.6	30.7	***
Nonsubject countries	58.6	72.0	53.6	***
Total	61.3	94.7	84.3	***

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, July 2008, table C-1, and *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2009.

Apparent U.S. consumption and market shares

Table I-8 presents U.S. shipments of domestic product, U.S. imports and apparent U.S. consumption in 2005-07 and 2012. Data on U.S. market share during 2005-07 and 2012 are presented in Table I-9. U.S. consumption in terms of quantity increased from 872,471 short tons in 2005 to 1,375,726 short tons in 2007. Since then, consumption has increased to *** short tons in 2012. The responding producers' share of consumption was 59.9 percent in 2007 and *** percent in 2012.

Table I-8
Line pipe: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2005-07 and 2012

Item	2005	2006	2007	2012
	Quantity (short tons)			
U.S. producers' U.S. shipments	522,831	694,012	727,185	***
China	15,549	169,652	236,358	8,449
All other	334,091	539,671	412,183	1,065,609
Total imports	349,640	709,323	648,541	***
Apparent U.S. consumption	872,471	1,403,335	1,375,726	***
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	507,703	694,165	757,701	***
China	11,543	105,754	153,881	7,655
All other	260,929	412,384	315,411	1,053,180
Total imports	272,472	518,138	469,292	1,060,835
Apparent U.S. consumption	780,175	1,212,303	1,226,993	***

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final), USITC Publication 4055, January 2009*, table C-1, and *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2, 2014.

Table I-9
Line pipe: U.S. market shares, 2005-07 and 2012

Item	2005	2006	2007	2012
	Quantity (*short tons*)			
Apparent U.S. consumption	872,471	1,403,335	1,375,726	***
	Value (*1,000 dollars*)			
Apparent U.S. consumption	780,175	1,212,303	1,226,993	***
	Share of quantity (*percent*)			
Producer's share	59.9	49.5	52.9	***
China	1.8	12.1	17.2	***
All other sources	38.3	38.5	30.0	***
Total imports	40.1	50.5	47.1	***
	Share of value (*percent*)			
Producer's share	65.1	57.3	61.8	***
China	1.5	8.7	12.5	***
All other sources	33.4	34.0	25.7	***
Total imports	34.9	42.7	38.2	***

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final) USITC Publication 4055, January 2009*, table C-1, and *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2, 2014.

As the Commission noted in its views, "end users generally use line pipe for gathering oil and gas from the point of production, as well as for distributing oil and gas to consumers, and in some instances for transmission of oil and gas in extensive pipelines.[48] Demand for line pipe is therefore derived from oil and gas exploration and the level of home construction. Oil and gas exploration is, in turn, directly affected by oil and gas prices." Figures I-3 through I-7 track these factors.

[48] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. 11.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and they named the following nine firms as the top purchasers of circular welded carbon quality steel line pipe: ***. Purchaser questionnaires were sent to these nine firms and six firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for circular welded carbon quality steel line pipe that have occurred in the United States or in the market for circular welded carbon quality steel line pipe in China since January 1, 2014?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for circular welded carbon quality steel line pipe in the United States or in the market for circular welded carbon quality steel line pipe in China within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***