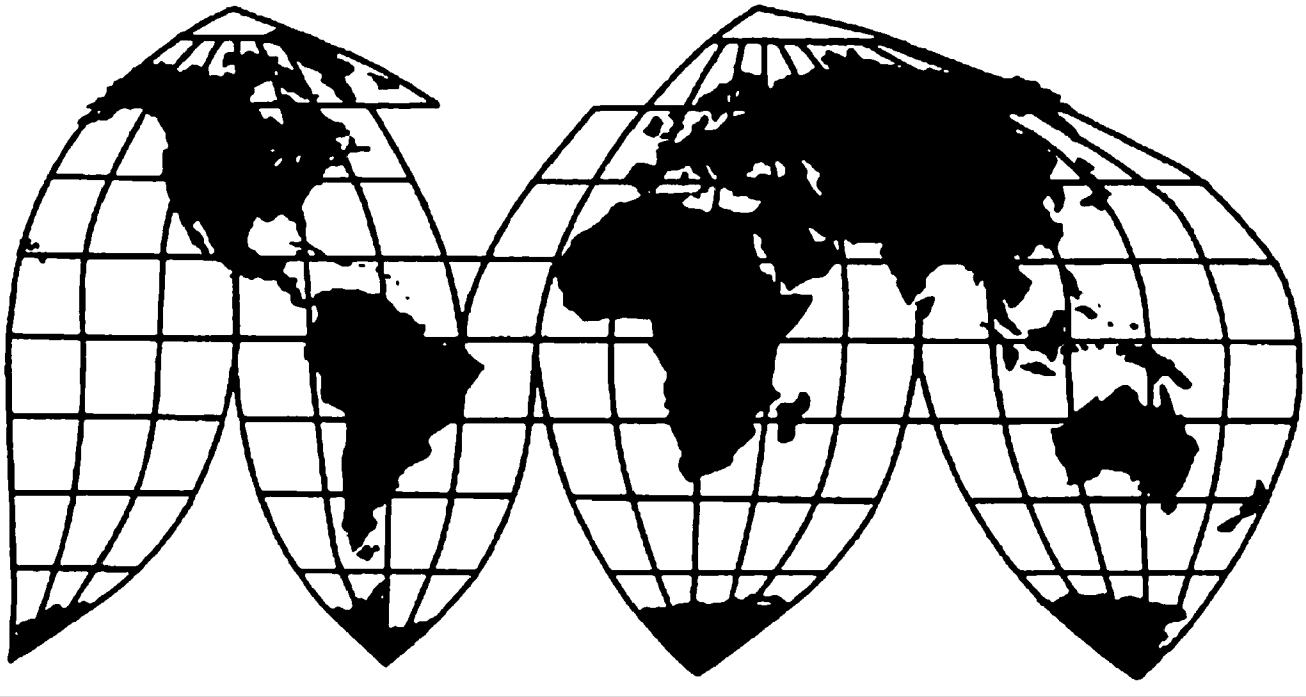
Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey

Investigation Nos. 701-TA-449 and 731-TA-1118-1121 (Second Review)

Publication 5086 **July 2020**

U.S. International Trade Commission



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Jason Miller
Samuel Varela-Molina

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-449 and 731-TA-1118-1121 (Second Review)

Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey

DETERMINATION

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

BACKGROUND

The Commission instituted these reviews on May 1, 2019 (84 FR 18577) and determined on August 5, 2019 that it would conduct full reviews (84 FR 44330, August 23, 2019). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on January 22, 2020 (85 FR 3717). Subsequently, the Commission cancelled its previously scheduled hearing following a request on behalf of the domestic interested parties (85 FR 31550, May 26, 2020).

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

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the countervailing duty order on light-walled rectangular ("LWR") pipe and tube from China and the antidumping duty orders on LWR pipe and tube from China, Korea, Mexico, and Turkey would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Twelve domestic producers of LWR pipe and tube filed the original petitions on June 27, 2007. In May and July 2008, the Commission determined that an industry in the United States was materially injured by reason of subsidized imports of LWR pipe and tube from China, and by reason of less than fair value ("LTFV") imports of LWR pipe and tube from China, Korea, Mexico and Turkey.[1] Commerce issued an antidumping duty order on LWR pipe and tube from Turkey in May 2008, a countervailing duty order on LWR pipe and tube from China in August 2008, and antidumping duty orders on LWR pipe and tube from China, Korea, and Mexico in August 2008.[2]

In June 2014, the Commission completed its first full five-year reviews and made affirmative determinations.[3] Commerce issued continuations of the countervailing duty and antidumping duty orders on June 23, 2014.[4]

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[1] *See Light-Walled Rectangular Pipe and Tube from Turkey*, Inv. No. 731-TA-1121 (Final), USITC Pub. 4001 (May 2008); *Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico,* Inv. Nos. 701-TA-449 and 731-TA-1118-1120 (Final), USITC Pub. 4024 (July 2008) (collectively referred to as "*Original Determinations*"). The Commission made two separate sets of determinations because the U.S. Department of Commerce ("Commerce") made an earlier final determination in its investigation of LWR pipe and tube from Turkey than it did in the other investigations.

On November 26, 2010, a NAFTA Chapter 19 Binational Panel affirmed in part and remanded in part the Commission's determination with regard to LWR pipe and tube from Mexico. File No. USA-MEX-2008-1904-04 (Nov. 26, 2010). Upon consideration of the remand order, the Commission again found that an industry in the United States was materially injured by reason of LTFV imports of LWR pipe and tube from Mexico. *Light-Walled Rectangular Pipe and Tube from Mexico,* Inv. 731-TA-1120 (Remand), USITC Pub. 4272 (Feb. 2011). The Panel then affirmed the Commission's remand determination.

[2] Light-Walled Rectangular Pipe and Tube From Turkey: Antidumping Duty Order, 73 Fed. Reg. 31065 (May 30, 2008); Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders, 73 Fed. Reg. 45403 (Aug. 5, 2008); Light-Walled Rectangular Pipe and Tube from the People's Republic of China: Notice of Countervailing Duty Order, 73 Fed. Reg. 45405 (Aug. 5, 2008).

[3] *Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey*, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Pub. 4470 (June 2014) ("*First Review Determinations*").

The Commission instituted these current reviews on May 1, 2019.[5] The Commission received a joint response to its notice of institution from U.S. producers of LWR pipe and tube and another joint response from Mexican producers of LWR pipe and tube. The Commission determined that the domestic interested party group response and the respondent interested party group response to its notice of institution with respect to the antidumping duty order on LWR pipe and tube from Mexico were adequate. Accordingly, the Commission decided to conduct a full review concerning the order of LWR pipe and tube from Mexico.[6]

The Commission found that the respondent interested party group responses with respect to the orders on LWR pipe and tube from China, Korea, and Turkey were inadequate. However, the Commission determined to conduct full reviews concerning these orders to promote administrative efficiency in light of its decision to conduct a full review with respect to the order on subject imports from Mexico.[7]

The Commission received prehearing and posthearing submissions from seven domestic producers that produce LWR pipe and tube and support continuation of the orders: Atlas Tube; Bull Moose Tube Company; California Steel and Tube; Hannibal Industries; Nucor Tubular Products, Inc.; Searing Industries; and Wheatland Tube Company (collectively referred to as "Domestic Producers"). No respondent parties filed prehearing or posthearing submissions, and none requested to appear at the hearing (Mexican producers filed comments on the draft questionnaires). Domestic Producers filed a request to cancel the hearing.[8] The Commission granted the request, cancelled the hearing originally scheduled, and issued written questions to the parties, to which Domestic Producers responded in their posthearing brief.[9]

U.S. industry data are based on the questionnaire responses of 13 U.S. producers of LWR pipe and tube that are believed to account for the vast majority of domestic production of that product in 2019.[10] U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of 13 U.S. importers of LWR pipe and tube that accounted for 56.3 percent of total U.S. imports of LWR pipe and tube in 2019 and 69.0 percent of subject imports during that same year.[11] Foreign industry data and related

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[4] Light-Walled Rectangular Pipe and Tube From Mexico, Turkey, the People's Republic of China, and the Republic of Korea: Continuation of Antidumping and Countervailing Duty Orders, 79 Fed. Reg. 35522 (June 23, 2014).

[5] Light-Walled Rectangular Pipe and Tube From China, Korea, Mexico, and Turkey; Institution of Five-Year Reviews, 84 Fed. Reg. 18577 (May 1, 2019).

[6] Notice of Commission Determinations to Conduct Full Five-Year Reviews, 84 Fed. Reg. 44330 (Aug. 23, 2019).

[7] Notice of Commission Determinations to Conduct Full Five-Year Reviews, 84 Fed. Reg. 44330 (Aug. 23, 2019).

[8] Domestic Producers Request to Cancel Hearing, EDIS Doc. 709928 (May 8, 2020).

[9] Notice Granting Request to Cancel Hearing, EDIS Doc. 709964 (May 8, 2020); Cancellation of Hearing for Second Full Five-Year Reviews, 85 Fed. Reg. 31550 (May 26, 2020).

[10] Confidential Report ("CR") and Public Report ("PR") at I-5 n. 13, I-10.

[11] CR/PR at I-10. Importers that submitted questionnaires accounted for 70.2 percent of subject imports from Mexico in 2019 but no imports from any of the other three subject countries. CR/PR at IV-1.

information are based on the questionnaire responses of six producers and exporters of subject merchandise in Mexico, accounting for over 70 percent of total Mexican LWR pipe and tube exports to the United States in 2019, and other data compiled by the staff.[12] No questionnaire responses were received from producers of LWR pipe and tube in China, Korea, or Turkey.[13]

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."[14] 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."[15] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[16]

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

> certain welded carbon quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm.[17]

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[12] CR/PR at I-10, Table I-2.

[13] Two producers in Turkey responded to the questionnaire certifying that they had not produced or exported LWR pipe and tube since January 1, 2014. CR/PR at I-10 n.15.

[14] 19 U.S.C. § 1677(4)(A).

[15] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[16] *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).

[17] Light-Walled Rectangular Pipe and Tube From the Republic of Korea, Mexico, Turkey, and the People's Republic of China: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders, 84 Fed. Reg. 44849 (Aug. 27, 2019); Light-Walled Rectangular Pipe and Tube From the People's Republic of China: Final Results of Expedited Second Sunset Reviews of Countervailing Duty Order, 84 Fed. Reg. 45726 (Aug. 30, 2019). Commerce indicated that the merchandise subject to the orders is currently classifiable under items 7306.61.50.00 and 7306.61.70.60 of the Harmonized Tariff Schedule of the United States. *Id*. *See also* Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order on Light-Walled Rectangular Pipe and Tube from the People's Republic of China (Aug. 30, 2019).

The scope has not changed since the original investigations.[18] LWR pipe and tube is a long-rolled, welded carbon steel product commonly used in applications not involving the conveyance of liquids or gases and is not designed to be load-bearing.[19] Common applications for LWR pipe and tube include shelving, racks, fences, gates, handrails, trailers, metal building components, automotive equipment, furniture, and sports equipment.[20]

In its original determinations, the Commission defined the domestic like product as all LWR pipe and tube products corresponding to Commerce's scope definition. There were no arguments for any other definition.[21] In the first reviews, the Commission again defined a single domestic like product coextensive with Commerce's scope definition.[22] In these reviews, Domestic Producers argue that the Commission should continue to define a single domestic like product coextensive with the scope.[23]

The record in these reviews indicates that the characteristics and uses of domestically produced LWR pipe and tube have not changed since the original investigations.[24] In light of this, and the lack of any contrary argument, we define a single domestic like product coextensive with Commerce's scope definition.

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

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[18] Mexican producer Maquilacero S.A. de C.V. ("Maquilacero") incorrectly asserted in its comments on the draft questionnaires that Commerce had expanded the scope since the original investigations. Maquilacero Comments on Draft Questionnaires, EDIS Doc. 700264 (Jan. 24, 2020) at 1-3. Rather, Commerce rejected an argument that Maquilacero advanced in an administrative review that LWR pipe and tube destined for automotive end use was outside the scope of the orders. Commerce instead determined that LWR pipe and tube for automotive use was included in the scope as written. Light-Walled Rectangular Pipe and Tube Final Results of Antidumping Duty Administrative Review; 2016-2017, 84 Fed. Reg. 16646 (Apr. 22, 2019) (*incorporating* Issues and Decisions Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Light-Walled Rectangular Pipe and Tube from Mexico; 2016-2017 (Apr. 15, 2019)).

[19] CR/PR at I-17.

[20] CR/PR at II-1.

[21] *Original Determinations*, USITC Pub. 4001 at 7. The Commission stated that "LWR pipe and tube, whether domestically produced or imported from the subject countries, generally has common physical characteristics and uses, is interchangeable in most end uses, is sold primarily to distributors, is produced by similar production processes, and is generally perceived to be a discrete product." *Id.* at 7 n.31.

[22] *First Review Determinations*, USITC Pub. 4470 at 5.

[23] Domestic Producers Prehearing Brief at 4–5; Domestic Producers Posthearing Brief at 2.

[24] *See* CR/PR at I-17–20. Additionally, the Commission has previously considered automotive equipment as a known end use of LWR pipe and tube. *Original Determinations*, USITC Pub. 4001 at 13; *First Review Determinations*, USITC Pub. 4470 at 17.

the product."[25] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[26] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[27]

In the original investigations, the Commission defined the domestic industry to be all domestic producers of LWR pipe and tube. The Commission considered two domestic producers under the related parties provision, but it determined that appropriate circumstances did not exist to exclude either producer from the domestic industry.[28] In the first reviews, the Commission again defined the domestic industry to be all domestic producers of LWR pipe and tube. It considered two domestic producers under the related parties provision, but again determined that appropriate circumstances did not exist to exclude either producer from the domestic industry.[29]

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[25] 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.

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

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

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

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

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

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

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

[28] *Original Determinations*, USITC Pub. 4001 at 8–9. The Commission explained that the firms' primary interests lie more in domestic production than in importation, and that there was no record evidence that they derived significant financial benefit from their importation of subject merchandise. *Id*.

[29] *First Review Determinations*, USTIC Pub. 4470 at 6–8. The Commission explained that U.S. producer *** principal interest was in domestic production and that it did not appear to benefit from its imports of subject merchandise; U.S. producer *** accounted for a small share of domestic production during 2008 to 2013 and, similarly, there was no indication that it derived any benefit as a result of its

In the current reviews, we consider domestic producer *** under the related parties provision because it imported subject merchandise from Mexico during the period of review and it is affiliated with ***, a Mexican exporter of subject merchandise.[30] *** accounted for *** percent of U.S. production of LWR pipe and tube in 2019.[31] Its subject imports from Mexico were *** short tons in 2017, *** short tons in 2018, and *** short tons in 2019.[32] Its ratio of subject imports to domestic production during this period ranged from *** percent in 2017 to *** percent in 2018.[33] It ***.[34]

The record indicates that *** principal interest is in domestic production, as its ratio of subject imports to U.S. production was small throughout the period of review.[35] There is no indication that its domestic production operations benefitted from its subject imports. Moreover, no party has argued that *** should be excluded from the domestic industry. We therefore determine that appropriate circumstances do not exist to exclude *** from the domestic industry.

We consequently define the domestic industry as all U.S. producers of LWR pipe and tube.

III. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[36]

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affiliation with ***. *First Review Determinations*, USTIC Pub. 4470 at 6–8; Confidential First Review Determination, EDIS Doc. 682596 at 8–10.

[30] *See* CR/PR at Tables I-9, III-10. None of the briefs address domestic industry issues.

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

[32] CR/PR at Table III-10. Thus, subject imports from Mexico increased *** percent from 2017–19.

[33] CR/PR at Table III-10. Its operating income to net sales ratio was *** than the industry average throughout the period of review. CR/PR at Table III-14.

[34] CR/PR at Table I-8, *** U.S. Producer Questionnaire, EDIS Doc. 705455 (Mar. 20, 2020) at Question I-3.

[35] CR/PR at Table III-10.

[36] 19 U.S.C. § 1675a(a)(7).

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[37] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

In the original investigations, the Commission determined that there was a reasonable overlap of competition and cumulated subject imports from the four subject countries for purposes of analyzing material injury by reason of subject imports.[38]

In the first reviews, the Commission cumulated imports from all four subject countries. It determined that revocation of each order would not have no discernible impact on the domestic industry, and that there would be a likely be reasonable overlap of competition between and among imports from each subject country and the domestic like product.[39] It also determined that imports from all four subject countries would likely compete in the U.S. market under similar conditions of competition in light of the commodity nature of LWR pipe and tube and the fact that the industry in each of the subject countries supplied the U.S. market with LWR pipe and tube meeting ASTM standards in the original investigations.[40]

In these reviews, the statutory threshold for cumulation is satisfied because all reviews were initiated on the same day, May 1, 2019.[41] In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports from the subject countries and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

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[37] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

[38] *Original Determinations*, USITC Pub. 4001 at 12. The parties did not dispute the appropriateness of cumulation.

[39] *First Review Determinations*, USITC Pub. 4470 at 9–13.

[40] *First Review Determinations*, USITC Pub. 4470 at 13–14.

[41] Initiation of Five-Year Reviews, 84 Fed. Reg. 18477 (May 1, 2019).

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[42] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[43] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations. We consider the data pertinent to each subject country below.

China. In the original investigations, subject imports from China increased from 39,945 short tons in 2005 to 88,879 short tons in 2007; market penetration increased from 4.2 percent in 2005 to 9.9 percent in 2007.[44] In the first five-year reviews, the quantity of subject imports from China ranged from 31 short tons in 2009 to 687 short tons in 2008; market penetration never exceeded 0.1 percent.[45] During the current review period, the quantity of subject imports from China ranged from 274 short tons in 2018 to 465 short tons in 2017; market penetration never exceeded *** percent.[46]

Three producers of subject merchandise in China accounting for *** percent of subject imports responded to the Commission questionnaire in the original investigations. No Chinese producer reported data to the Commission on its LWR pipe and tube operations in the first reviews. Available information in the first reviews, including data from market research firm Simdex, showed that there were 39 known Chinese producers of carbon-welded pipes having rectangular and square cross-sections with a wall thickness of less than four millimeters.[47]

In the current reviews, the Commission received no questionnaire responses from producers of LWR pipe and tube in China. The Domestic Producers identified 14 firms that they believe currently produce subject merchandise in China. Information regarding the Chinese industry from Global Trade Atlas ("GTA") shows that in 2019 China was the second largest global exporter of tubes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section.[48] During the period of review the leading export markets for Chinese producers of these products were Myanmar, Korea, and the Philippines.[49]

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[42] 19 U.S.C. § 1675a(a)(7).

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

[44] *Original Determinations*, USITC Pub. 4001 at Tables IV-2, IV-11.

[45] *First Review Determination*s, USITC Pub. 4470 at Tables I-9, IV-1.

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

[47] CR/PR at IV-11.

[48] CR/PR at IV-26, Table IV-16. GTA data are based on HTS 7306.61, which includes both in-scope and out-of-scope merchandise. *See id*.

[49] CR/PR at IV-12–13, Table IV-7.

In the original investigations, subject imports from China were priced lower than the domestic like product in 32 out of 35 (or 91.4 percent of) comparisons.[50] There are no pricing data for subject imports from China in the current reviews, and there were none in the first reviews.

Based on the foregoing, we find that revocation of the antidumping and countervailing duty orders on subject imports from China will not have no discernible adverse impact on the domestic industry.

Korea. In the original investigations, subject imports from Korea increased from *** short tons in 2005 to *** short tons in 2006 and then declined to *** short tons in 2007; market penetration increased from *** percent in 2005 to *** percent in 2006 and then declined to *** percent in 2007.[51] In the first five-year reviews, the quantity of subject imports from Korea peaked at *** short tons in 2008 and was zero in 2011, 2012, and 2013; market penetration peaked at *** percent.[52] During the current review period, the quantity of subject imports from Korea ranged from 17 short tons in 2017 to 55 short tons in 2018; market penetration never reached *** percent.[53]

In the final phase of the original investigations, the Commission received no foreign producer questionnaires from Korean producers; in the preliminary phase of the original investigations, six Korean producers had provided the Commission with questionnaire responses.[54] In the first reviews, the Commission received no questionnaire responses from producers of LWR pipe and tube in Korea. Information from market research firm Simdex indicated that the subject industry in Korea was large, having nine known manufacturers of carbon-welded pipes of rectangular cross-section with wall thickness under 4 millimeters.[55]

In the current reviews, the Commission again received no questionnaire responses from producers of LWR pipe and tube in Korea. The facts available include seven Korean firms identified by the Domestic Producers as current producers of subject merchandise, suggesting the number of LWR pipe and tube producers does not differ significantly from the prior review.[56]

Information from GTA shows that the leading export markets by quantity for Korean producers of tubes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section in 2019 were the United States, Australia, and Taiwan.[57] We observe that the U.S. remained the top export destination for merchandise under HTS subheading 7306.61, despite total imports to the U.S. under this classification dropping by more than half during the period of review.[58] Korea was not among the top five global export sources identified by GTA.[59]

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[50] CR/PR at Table V-9.
[51] CR/PR at C-8.
[52] CR/PR at C-7; *First Review Determination*s, USITC Pub. 4470 at Table IV-1.
[53] CR/PR at Table I-11.
[54] CR/PR at IV-14.
[55] CR/PR at IV-14; *First Review Determinations*, USITC Pub. 4470 at 9–10.
[56] CR/PR at IV-14.
[57] CR/PR at IV-14 and Table IV-8.
[58] CR/PR at Table IV-8.
[59] CR/PR at Table IV-16.

In the original investigations, subject imports from Korea were priced lower than the domestic like product in 45 out of 49 (or 91.8 percent of) comparisons.[60] There are no pricing data for subject imports from Korea in the current reviews and there were none in the first reviews.

Based on the foregoing, including information indicating there is likely a similar number of LWR pipe and tube producers in Korea as in the prior review, we find that revocation of the antidumping duty order on subject imports from Korea will not have no discernible adverse impact on the domestic industry.

Mexico. In the original investigations, subject imports from Mexico declined from *** short tons in 2005 to *** short tons in 2007; market penetration declined from *** percent in 2005 to *** percent in 2006 and then increased to *** percent in 2007.[61] In the first five-year reviews, the quantity of subject imports from Mexico ranged from 60,925 short tons in 2011 to 115,179 short tons in 2008; market penetration ranged from 10.6 percent in 2012 to 18.5 percent in 2008.[62] During the current review period, the quantity of subject imports from Mexico ranged from 85,630 short tons in 2019 to 105,640 short tons in 2017; market penetration ranged from *** percent in 2019 to *** percent in 2017.[63]

In the current reviews, the Commission received foreign producer questionnaire responses from six firms, which are believed to account for over 70 percent of exports of subject merchandise from Mexico to the United States in 2019.[64] Capacity for the responding Mexican producers increased during the period of review, increasing by *** percent from 2017 to 2018 and by *** percent from 2018 to 2019. Capacity was *** short tons in 2019.[65] Two responding Mexican producers, *** and ***, indicated that they expanded operations during the period of review.[66] Capacity utilization fell from *** percent in 2017 to *** percent in 2019 – a decline of *** percentage points.[67]

During the period of review, reporting Mexican producers exported between *** percent of their shipments. The United States was the *** reported export market for LWR pipe and tube from Mexico.[68]

Subject imports from Mexico were priced below the domestic like product in 42 of 51 (or 82.4 percent of) comparisons during the original investigations, and in 72 of 83 (or 86.7 percent of) comparisons during the first reviews.[69] Subject imports from Mexico were priced below the domestic like product in *** of *** (or *** percent of) comparisons during these reviews, with margins of underselling that ranged between *** to *** percent. In the

[60] CR/PR at Table V-9.
[61] CR/PR at C-7.
[62] *First Review Determination*s, USITC Pub. 4470 at Tables I-9, IV-1.
[63] CR/PR at Table I-11.
[64] CR/PR at IV-17.
[65] *See* CR/PR at Table IV-12.
[66] CR/PR at IV-17, Table IV-10.
[67] CR/PR at Table IV-11.
[68] CR/PR at IV-21.
[69] CR/PR at Table V-9.

remaining *** instances, prices for LWR pipe and tube from Mexico were between *** and *** percent above prices for the domestic like product.[70]

Based on the foregoing, including the increase in production capacity and underselling during the period of review, we find that revocation of the antidumping duty order on subject imports from Mexico will not have no discernible adverse impact on the domestic industry.

Turkey. In the original investigations, subject imports from Turkey increased from *** short tons in 2005 to *** short tons in 2006 and then declined to *** short tons in 2007; market penetration increased from *** percent in 2005 to *** percent in 2006 and then declined to *** percent in 2007.[71] In the first five-year reviews, the quantity of subject imports from Turkey ranged from *** short tons in 2008 and 2010 to *** short tons in 2012; market penetration peaked at *** percent in 2012.[72] During the current review period, the quantity of subject imports from Turkey declined from 14,801 short tons in 2017 to 1,114 short tons in 2019; market penetration ranged from *** percent in 2019 to *** percent in 2017.[73]

In the original investigations, the Commission received foreign producer questionnaire responses from seven firms, which accounted for approximately *** percent of subject imports from Turkey.[74] During the first reviews, the Commission received foreign producer questionnaire responses from two firms, which accounted for approximately *** percent of total production of LWR pipe and tube in Turkey.[75]

In the current reviews, the Commission received no questionnaire responses from producers of LWR pipe and tube in Turkey.[76] Information regarding the Turkish industry from GTA indicates that in 2019 Turkey was the third largest global exporter of tubes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section.[77] Turkish producers' leading export markets were Iraq, Romania, and the United Kingdom.[78]

Subject imports from Turkey were priced below the domestic like product in all 24 comparisons during the original investigations, and in 29 of 36 (or 80.5 percent of) comparisons during the first reviews.[79] In the current reviews, subject imports from Turkey were priced below the domestic like product in *** of *** (or *** percent of the) instances, with margins of underselling ranging from *** to *** percent. In the remaining *** instances, prices for LWR pipe and tube from Turkey were *** to *** percent above prices for the domestic like product.[80]

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[70] CR/PR at V-17.

[71] CR/PR at C-8.

[72] CR/PR at C-7; *First Review Determination*s, USITC Pub. 4470 at Table IV-1.

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

[74] CR/PR at IV-23.

[75] CR/PR at IV-23.

[76] CR/PR at IV-23.

[77] CR/PR at IV-26, Table IV-16. Data concerns HTS 7306.61, which includes both in-scope and out-of-scope merchandise.

[78] CR/PR at IV-24 and Table IV-15.

[79] CR/PR at Table V-9.

[80] CR/PR at V-18.

Based on the foregoing, we find that revocation of the antidumping duty order on subject imports from Turkey will not have no discernible adverse impact on the domestic industry.

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[81] Only a "reasonable overlap" of competition is required.[82] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[83]

Fungibility. In the original investigations, the Commission found that there was general interchangeability between subject imports and between subject imports and the domestic like product. Subject imports from the four subject countries were fungible with both the domestic like product and with each other. Both petitioners and respondents described LWR pipe and tube as a commodity product.[84] In the first reviews, the Commission found that the record again indicated that domestically produced LWR pipe and tube and subject imports from all sources were generally fungible.[85] The record showed that domestically produced and imported LWR pipe and tube could be used in the same applications and that they shared the same chemical and physical properties.[86]

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[81] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[82] *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke,* 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States,* 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g*., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom., Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

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

[84] *Original Determinations*, USITC Pub. 4001 at 10–11.

[85] *First Review Determinations*, USITC Pub. 4470 at 13.

[86] *First Review Determinations*, USTIC Pub. 4470 at 12.

The record in these reviews indicates that LWR pipe and tube sold in the United States, whether domestically produced or imported, is generally manufactured to one of two ASTM standards, ASTM A-500 (ornamental tubing) or ASTM A-513 (mechanical tubing).[87] In every comparison between the domestic like product and imports from individual subject sources, all U.S. producers and the majority of U.S. importers reported that the products were always or frequently interchangeable.[88]

Channels of Distribution. In the original investigations, both the domestic producers and importers sold the majority of their LWR pipe and tube to distributors. U.S. producers sold 81.5 percent of their U.S. shipments to distributors during the period of investigation, whereas U.S. importers sold 91.7 percent of their U.S. shipments of imports of LWR pipe and tube from subject sources to distributors.[89] In the first reviews, the Commission found that subject imports likely would have similar channels of distribution if the orders were revoked.[90]

The record in the current reviews indicates that U.S. producers and U.S. importers of subject imports from Mexico and Turkey sold the majority of their LWR pipe and tube shipments to distributors.[91] There were no data on channels of distribution reported for subject imports from China and Korea.[92]

Geographic Overlap. In the original investigations, there was a significant geographical overlap among the subject merchandise from each subject country and the domestic like product.[93] In the first reviews, the Commission found that the domestic like product was shipped nationwide and subject imports from Mexico and Turkey were sold in multiple regions.[94] This is also true in the current reviews.[95]

Simultaneous Presence in Market. In the original investigations, the domestic like product and imports from each of the subject countries were present in the U.S. market throughout the period of investigation.[96] In the first reviews, the Commission observed that subject imports from China, Korea, and Turkey were not present in all years of the period of

[87] CR/PR at I-17–18.

[88] CR/PR at Table II-10. While there were relatively few purchaser responses, at least half of the responding purchasers indicated that the domestic like product and imports from each subject source were at least frequently interchangeable. *Id*.

[89] *Original Determinations*, USITC Pub. 4001 at 11.

[90] *First Review Determinations*, USITC Pub. 4470 at 13.

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

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

[93] *Original Determinations*, USITC Pub. 4001 at 11.

[94] *First Review Determinations*, USITC Pub.4470 at 13.

[95] CR/PR at Table II-2. Importers did not provide information concerning the geographic market areas served by subject imports from China and Korea. In 2019, subject imports from China entered the United States primarily through ports of entry on the East and West coasts, while subject imports from Korea entered the United States exclusively through ports of entry on the East coast. CR/PR at Table IV-3.

[96] *Original Determinations*, USITC Pub. 4001 at 12.

review, and when they were present, the levels were relatively low.[97] The Commission nonetheless concluded that the domestic like product and the subject imports likely would have simultaneous presence in the U.S. market if the orders were revoked.[98]

In the current reviews, the domestic like product and subject imports from Mexico were present throughout the period of review.[99] Subject imports from China were present during 36 of 37 months for which data were collected, subject imports from Korea were present in eight of 37 months, and subject imports from Turkey were present in 24 of 37 months.[100]

Conclusion. The record indicates that there would be a likely reasonable overlap in competition between and among the domestic like product and subject imports from China, Korea, Mexico, and Turkey if the orders were revoked. Both U.S.-produced LWR pipe and tube and subject imports from all sources are fungible. Both the patterns displayed by the subject imports present in the U.S. market during the period of review and the evidence from the original investigations and first reviews indicate that upon revocation the domestic like product and imports from each subject country would likely have similar channels of distribution, geographic overlaps in sales, and simultaneous presence in the U.S. market. Consequently, we find that there likely will be a reasonable overlap in competition between subject imports from each country and the domestic like product as well as among subject imports from each country should the orders under review be revoked.

D. Likely Conditions of Competition

The record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from each subject country if the orders were revoked. Given the commodity nature of LWR pipe and tube and the fact that the industry in each of the subject countries supplied the U.S. market with LWR pipe and tube meeting ASTM standards in the original investigations,[101] we find that LWR pipe and tube from each subject country would likely compete directly with one another and the domestic like product in the event of revocation. Competition in the U.S. market also is likely to be highly price-based regardless of subject source.

E. Conclusion

Based on the foregoing, we find that subject imports from China, Korea, Mexico, and Turkey would not be likely to have no discernible adverse impact on the domestic industry if the orders under review were revoked. We also find a likely reasonable overlap of competition among subject imports from different sources and between the subject imports from each subject country and the domestic like product. Finally, and in the absence of any argument to

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[97] *First Review Determinations*, USITC Pub. 4470 at 13.
[98] *First Review Determinations*, USITC Pub. 4470 at 13.
[99] CR/PR at Tables IV-4, V-3–5.
[100] CR/PR at IV-8 and Table IV-4.
[101] *See Original Determinations*, USITC Pub. 4001 at 14.

the contrary, we find that imports from each subject country are likely to compete in the U.S. market under similar conditions of competition should the orders be revoked. We therefore exercise our discretion to cumulate subject imports from China, Korea, Mexico, and Turkey.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[102] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[103] Thus, the likelihood standard is prospective in nature.[104] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[105]

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

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[102] 19 U.S.C. § 1675a(a).

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

[104] 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.

[105] *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'").

time."[106] 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."[107]

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."[108] 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).[109] 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.[110]

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.[111] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[112]

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

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[106] 19 U.S.C. § 1675a(a)(5).

[107] 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*.

[108] 19 U.S.C. § 1675a(a)(1).

[109] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. CR/PR at I-11 n.16.

[110] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[111] 19 U.S.C. § 1675a(a)(2).

[112] 19 U.S.C. § 1675a(a)(2)(A-D).

United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[113]

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.[114] 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.[115]

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."[116] The following conditions of competition inform our determinations.

1. Demand Conditions

In its original determinations, the Commission found that LWR pipe and tube was an intermediate product with many end use applications, including fences, gates, handrails, furniture, sports equipment, and automotive equipment.[117] Overall demand for LWR pipe and tube was closely linked to demand for those end products. As measured by apparent U.S. consumption, U.S. LWR pipe and tube demand initially increased from 2005 to 2006, and then declined in 2007.[118] In the first reviews, the Commission found that there had not been

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[113] *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.

[114] 19 U.S.C. § 1675a(a)(4).

[115] 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.

[116] 19 U.S.C. § 1675a(a)(4).

[117] *Original Determinations*, USITC Pub. 4001 at 13.

[118] *Original Determinations*, USITC Pub. 4001 at 13.

significant changes in end uses of LWR pipe and tube since the original investigations.[119] The record in those reviews indicated that the demand for LWR pipe and tube was below that observed during the original investigations because the housing market had not fully recovered from its decline in 2008 and 2009.[120]

In the current reviews, the primary drivers of demand for LWR pipe and tube remain the same as those identified in the prior proceedings. Common end uses include fencing, window guards, metal furniture, railings, furniture components, athletic equipment, lawn and garden equipment, racks, air-conditioning equipment, and automotive parts.[121] As discussed above, the record indicates that during the current period of review U.S. producers and U.S. importers of subject imports from Mexico and Turkey sold the majority of their LWR pipe and tube shipments to distributors.[122]

Market participants had mixed views of demand trends during the period of review, with most U.S. producers stating that demand fluctuated or increased, most U.S. importers stating that demand fluctuated or had not changed, and most U.S. purchasers stating that demand fluctuated.[123] Apparent U.S. consumption data show that demand increased from *** short tons in 2017 to *** short tons in 2018, but declined to *** short tons in 2019; thus, it fluctuated within a fairly narrow range but declined during the period of review.[124]

Domestic Producers anticipate a sharp decline in demand for LWR pipe and tube as a result of the COVID-19 pandemic.[125] They observe that demand for LWR pipe and tube was declining prior to COVID-19 and that the immediate effect of the pandemic has caused the economy to shrink, reducing demand for LWR pipe and tube further.[126] In particular, Domestic Producers anticipate declines in key industries, such as automotive and housing, due to the COVID-19 pandemic and note that U.S. steelmakers have already begun decreasing production in light of declining demand.[127]

2. Supply Conditions

In the original investigations, the Commission observed that there had been some recent consolidation within the domestic industry. The industry's capacity and production declined during the period of investigation.[128] In the first reviews, the Commission noted that, although there were seven production curtailments or shutdowns, overall the domestic

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[119] *First Review Determinations*, USITC Pub. 4470 at 17.

[120] *See First Review Determinations*, USITC Pub. 4470 at 17.

[121] *See* CR/PR at I-17.

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

[123] CR/PR at Table II-4.

[124] CR/PR at Table I-11. Thus, apparent U.S. consumption declined *** percent from 2017 to 2019.

[125] *See* Domestic Producers Prehearing Brief at 10–11; Domestic Producers Posthearing Brief at 7.

[126] Domestic Producers Prehearing Brief at 10.

[127] Domestic Producers Posthearing Brief at 7.

[128] *Original Determinations*, USITC Pub. 4001 at 13.

industry added to its production capacity during the period of review.[129] The domestic industry's share of apparent U.S. consumption was higher in 2013, at 76.8 percent, than it was in 2008, at 72.1 percent.[130]

During the current period of review, the domestic industry was the largest supplier of LWR pipe and tube to the U.S. market.[131] Its share of the quantity of apparent U.S. consumption increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019.[132] U.S. producers reported one plant closing, and several openings, expansions, and acquisitions, during the period of review.[133] Overall, U.S. producers' capacity increased from *** short tons in 2017 and 2018 to *** short tons in 2019.[134]

Cumulated subject imports were the smallest source of supply of LWR pipe and tube to the U.S. market during the period of review.[135] U.S. shipments of cumulated subject imports accounted for *** percent of apparent U.S. consumption in 2017, *** percent in 2018, and *** percent in 2019.[136]

Nonsubject imports were the second largest source of supply of LWR pipe and tube to the U.S. market during the period of review.[137] They accounted for *** percent of the quantity of apparent U.S. consumption in 2017 and 2018, and *** percent in 2019.[138] There has been an antidumping duty order on LWR pipe and tube from Taiwan since 1989.[139]

3. Substitutability and Other Conditions

In the original investigations, the Commission found that because manufacturing processes and technologies were similar throughout the world, LWR pipe and tube from different sources was generally viewed as interchangeable across a range of applications.[140] LWR pipe and tube was manufactured to meet common ASTM specifications (such as A-513 or A-500) regarding materials, dimensions, and testing.[141] The vast majority of market participants

[129] *First Review Determinations*, USITC Pub. 4470 at 18.

[130] *First Review Determinations*, USITC Pub. 4470 at 18.

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

[132] CR/PR at Table I-11. Thus, the domestic industry's share of the quantity of apparent U.S. consumption increased by *** percentage points from 2017 to 2019.

[133] CR/PR at Table III-2.

[134] CR/PR at Table III-4. Accordingly, U.S. producers' capacity increased by *** percent from 2017 to 2019.

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

[136] CR/PR at Table I-11. Thus, U.S. shipments of cumulated subject imports as a share of U.S. consumption declined by *** percentage points from 2017 to 2019.

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

[138] CR/PR at Table II-8. Thus, nonsubject imports as a share of the quantity of apparent U.S. consumption declined by *** percentage points from 2017 to 2019.

[139] CR/PR at Table I-1.

[140] *Original Determinations*, USITC Pub. 4001 at 14.

[141] *Original Determinations*, USITC Pub. 4001 at 14.

found domestically produced LWR pipe and tube always or frequently interchangeable with subject merchandise.[142]

In the first reviews, the Commission found that the domestic like product and subject imports were generally substitutable and that price was an important factor in purchasing decisions.[143] The vast majority of responding U.S. producers, a majority of importers, and majorities or pluralities of purchasers reported that the domestic like product and imports from each subject source and nonsubject sources were always or frequently interchangeable.[144] Additionally, purchasers most frequently cited price as a very important factor in their purchasing decisions, and a majority stated that they always or usually purchased the lowest-price LWR pipe and tube available.[145]

The record in these reviews similarly indicates that domestically produced LWR pipe and tube and subject imports are highly substitutable.[146] As discussed above, LWR pipe and tube that is sold in the United States is generally manufactured to one of two ASTM standards, ASTM A-500 (ornamental tubing) or ASTM A-513 (mechanical tubing).[147] In every comparison between the domestic like product, imports from individual subject sources, and imports from nonsubject sources, all U.S. producers and the majority of U.S. importers reported that the products were always or frequently interchangeable.[148]

Price is an important factor in purchasing decisions.[149] Purchasers identified price and quality most frequently as the first-most important factors in purchasing decisions.[150] Purchasers most frequently reported availability, quality, and reliability of supply as very important factors in purchasing decisions (seven firms each), followed closely by delivery time, price, and product consistency (six firms each).[151]

The principal raw material in LWR pipe and tube is ungalvanized hot-rolled steel strip, which accounted for more than 80 percent of the domestic industry's total cost of goods sold ("COGS") during the period of review.[152] Six of 13 U.S. producers reported that raw material costs increased since 2014, and seven of 13 reported that costs had fluctuated.[153] The domestic

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[142] *Original Determinations*, USITC Pub. 4001 at 14.

[143] *First Review Determinations*, USITC Pub. 4470 at 19.

[144] *First Review Determinations*, USITC Pub. 4470 at 18.

[145] *First Review Determinations*, USITC Pub. 4470 at 18-19.

[146] CR/PR at II-10.

[147] CR/PR at I-17–18.

[148] CR/PR at Table II-10. While there were relatively few purchaser responses, at least half of the responding purchasers indicated that the domestic like product and imports from each subject source were at least frequently interchangeable. *Id*.

[149] CR/PR at Tables II-6, II-7.

[150] CR/PR at Table II-6.

[151] CR/PR at Table II-7.

[152] CR/PR at V-1.

[153] CR/PR at V-1.

industry's average per short ton raw material costs increased from $630 per short ton in 2017 to $754 in 2018, and then decreased to $726 in 2019.[154]

Certain subject imports have been subject to additional 25 percent *ad valorem* duties pursuant to section 232 of the Trade Expansion Act of 1962, as amended,[155] ("section 232 tariffs") since March 2018.[156] Subject imports from China have also been subject to additional duties under section 301 of the Trade Act of 1974, as amended ("section 301 tariffs"), since September 2018.[157] Section 301 tariffs are currently 7.5 percent *ad valorem*.[158]

C. Likely Volume of Subject Imports

Original Investigations. The Commission in its original determinations found that cumulated subject import volume increased from *** short tons in 2005 to *** short tons in 2006, before declining to *** short tons in 2007, for an overall increase of *** percent during the period of investigation.[159] The ratio of subject imports to U.S. production increased over the period. The total market share held by subject imports increased from *** percent of apparent U.S. consumption in 2005 to *** percent in 2007, for a period increase of ***

[154] CR/PR at III-25, Table III-12. Thus, the domestic industry's average per short ton raw material costs increased 15.3 percent from 2017 to 2019. Further, Domestic Producers note that hot-rolled steel prices fluctuated over the period but rose to their highest point in 2018 and remained somewhat elevated in part of 2019. Domestic Producers Posthearing Brief, Answers to Commission Questions at 43–44.

[155] 19 U.S.C. § 1862.

[156] CR/PR at I-16, II-1. Subject imports from Korea have been exempted from section 232 tariffs since March 23, 2018, although such imports have been subject to annual quota limits since May 1, 2018. Adjusting Imports of Steel Into the United States, 83 Fed. Reg. 13361 (Mar. 28, 2018); Adjusting Imports of Steel Into the United States, 83 Fed. Reg. 25857 (June 5, 2018). Subject imports from Mexico have been exempted from section 232 tariffs from March 23 to May 1, 2018 and since May 20, 2019. Adjusting Imports of Steel Into the United States, 83 Fed. Reg. 11625 (Mar. 15, 2018); Adjusting Imports of Steel Into the United States, 83 Fed. Reg. 25857 (June 5, 2018); Adjusting Imports of Steel Into the United States, 84 Fed. Reg. 23987 (May 23, 2019). Subject imports from Turkey were subject to 50 percent *ad valorem* section 232 tariffs between August 13, 2018 and May 20, 2019. Adjusting Imports of Steel Into the United States, 84 Fed. Reg. 23421 (May 21, 2019).

[157] 19 U.S.C. § 2411.

[158] CR/PR at I-16-17, II-3.

[159] *Original Determinations*, USITC Pub. 4001 at 14; *Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico*, Inv. Nos. 701-TA-449 and 731-TA-1118-1120 (Final), USITC Pub. 4024 (July 2008) at 7–8; *Confidential Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico*, Inv. Nos. 701-TA-449 and 731-TA-1118-1120 (Final), EDIS Doc. 306778, at 7–8 ("Confidential Original Determinations for China, Korea, and Mexico").

percentage points.[160] The Commission also observed that market share held by nonsubject imports declined throughout the period.[161]

The Commission found that the record showed that increasing subject import volumes took market share from the domestic industry and nonsubject imports over the period of investigation.[162] Furthermore, the decline in apparent U.S. consumption of 7.0 percent over the period exacerbated the effects of the subject imports.[163] In conducting its analysis, the Commission found post-petition effects and gave less weight to the decline in subject imports that occurred in the last six months of 2007, which it found was due to the petitions.[164]

First Reviews. In its first review determinations, the Commission found that the orders had a disciplining effect on the volume of subject imports from China, Korea, and Turkey.[165] Subject imports from Mexico in particular remained in the U.S. market at reduced quantities since 2008.[166] Cumulated subject imports fell from *** short tons in 2007 to 84,937 short tons in 2013.[167] Subject imports from Mexico accounted for *** percent of cumulated subject imports in 2013 and over half of total imports to the United States during the period of review.[168]

The Commission found that the industries in each of the subject countries were large, that the industries in Mexico and Turkey (the two subject industries for which such data were available) had excess capacity, and that the subject industries in China, Korea, and Turkey were export oriented.[169] Based on these considerations, the Commission found that subject imports from China and Korea were likely to reenter the U.S. market in the event of revocation, and that subject imports from Turkey would likely increase because of faltering home market demand and declining shipments to Turkey's principal export market, the European Union ("EU").[170] It found that subject imports from Mexico would likely increase due to the

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[160] *Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico*, Inv. Nos. 701-TA-449 and 731-TA-1118-1120 (Final), USITC Pub. 4024 (July 2008) at 8; Confidential Original Determinations for China, Korea, and Mexico, EDIS Doc. 306778, at 8.

[161] *Original Determinations*, USITC Pub. 4001 at 15.

[162] *Original Determinations*, USITC Pub. 4001 at 15.

[163] *Original Determinations*, USITC Pub. 4001 at 15.

[164] *Original Determinations*, USITC Pub. 4001 at 15. The data in the determinations concerning subject imports from China, Korea, and Mexico differed from the data in the determination concerning subject imports from Turkey because Mexican producer Prolamsa was a subject producer only for the former set of determinations. This did not, however, cause the Commission to modify its analysis of subject import volume. *Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico,* Inv. Nos. 701-TA-449 and 731-TA-1118-1120 (Final), USITC Pub. 4024 (July 2008) at 8.

[165] *First Review Determinations*, USITC Pub. 4470 at 19.

[166] *First Review Determinations*, USITC Pub. 4470 at 19.

[167] *First Review Determinations*, USITC Pub. 4470 at 19; Confidential First Review Determinations, EDIS Doc. 535460 at 29–30.

[168] *First Review Determinations*, USITC Pub. 4470 at 19; Confidential First Review Determinations, EDIS Doc. 535460 at 30.

[169] *First Review Determinations*, USITC Pub. 4470 at 20.

[170] *First Review Determinations*, USITC Pub. 4470 at 20-21.

attractiveness of the U.S. market, the Mexican industry's principal export market.[171] It consequently found that the likely volume of cumulated subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.[172]

Current Reviews. In these reviews, the record indicates that the orders have had a disciplining effect on the volume of cumulated subject imports. Import quantities from each of the subject countries in 2019 were well below the levels of 2007, and 2019 subject import volumes from China, Korea, and Turkey were quite modest.[173] Cumulated subject imports decreased each year of the current period of review, declining from 120,923 short tons in 2017 to 110,515 short tons in 2018 and 87,144 short tons in 2019.[174] Their market share was *** percent in 2017, *** percent in 2018, and *** percent in 2019.[175] By contrast, cumulated subject imports were *** short tons, and accounted for *** percent of apparent U.S. consumption, in 2007.[176]

As previously stated, the Commission has relatively complete information concerning the subject industry in Mexico, but no foreign producer or exporter of subject merchandise from China, Korea, or Turkey provided information to the Commission.[177] This lack of participation has prevented the Commission from assembling a more comprehensive set of production and capacity data for producers for the subject countries. Nonetheless, the record demonstrates that the subject industries have significant production capacity, have significant unused capacity, and exported substantial volumes of LWR pipe and tube during the period of review.

The record indicates that subject industries are generally large or have available capacity to expand production. China and Turkey are the second and third largest global exporters of tubes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section, respectively.[178] Although Korea was not among the five leading global exporters identified by GTA data, there is no information on the record to indicate that the size of the Korean industry has changed since the first reviews, when the Commission determined that the Korean industry was large.[179] During the period of review two Mexican producers of LWR pipe and tube

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[171] *First Review Determinations*, USITC Pub. 4470 at 21.

[172] *First Review Determinations*, USITC Pub. 4470 at 20-22.

[173] CR/PR at Table I-2.

[174] CR/PR at Table IV-1. Thus, cumulated subject imports declined 27.9 percent from 2017 to 2019. The great majority of cumulated subject imports during the period of review were from Mexico. *Id*.

[175] CR/PR at Table I-11. Thus, the market share of cumulated subject imports declined by *** percentage points from 2017 to 2019.

[176] CR/PR at C-8, Table I-2.

[177] *See* CR/PR at I-10 n.15.

[178] CR/PR at Table IV-16. As previously discussed, available GTA data concern a category that includes both in-scope and out-of-scope merchandise. We note that the AUVs of exports from both China and Turkey to the United States of products in this category were the highest among those countries' export markets. *Id*.

[179] *See generally* CR/PR at IV-14; *First Review Determinations*, USITC Pub. 4470 at 10.

reported expansions, and the capacity of the subject industry in Mexico increased.[180] Reported Mexican production of LWR pipe and tube declined, however, resulting in declining capacity utilization and substantial excess capacity.[181] In 2019, capacity utilization was *** percent and unused capacity reached *** short tons.[182] The Mexican industry's unused capacity was greater than apparent U.S. consumption that same year, which was *** short tons.[183]

The Commission finds that subject imports would likely reenter the U.S. market in increased volumes without the restraining effect of the orders. Subject imports from Mexico have been present in the U.S. market in substantial quantities throughout the period of review, and the U.S. market accounts for virtually all exports of LWR pipe and tube from Mexico.[184] The subject industries in China and Turkey are large and export oriented. As mentioned above, they are the second and third largest global exporters respectively of tubes of hollow profiles, of iron or steel, welded, of a square or rectangular cross-section.[185] Subject imports from China and Turkey have been present in the U.S. market despite the orders.[186] Subject imports from Korea have also remained present in the U.S. market during the period of review, *albeit* at lower levels.[187] Additionally, the United States is Korea's leading export market for tubes, pipes, and hollow profiles.[188]

An antidumping duty order is in effect in Canada for imports from Korea classified under HTS classification 7306.61, which encompasses the subject merchandise.[189] Additionally, the EU has imposed global safeguard measures on all steel products.[190] These barriers to entry would create additional incentives for subject producers to direct exports to the U.S. market if the orders under review were revoked.[191]

In light of these factors, we find that subject producers are likely, absent the restraining effects of the orders, to direct significant volumes of LWR pipe and tube to the U.S. market, as

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[180] CR/PR at IV-18 and Tables IV-10–11.

[181] CR/PR at Table IV-11.

[182] *Derived from* CR/PR at Table IV-11.

[183] *Compare* CR/PR at Table IV-11, *with* Table I-2. We have also considered the potential for product shifting by subject producers. The majority of responding Mexican producers (five of six) indicated that they could switch production from other products to LWR pipe and tube. CR/PR at II-7 and Table F-2.

[184] CR/PR at IV-21.

[185] CR/PR at IV-26.

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

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

[188] CR/PR at IV-14.

[189] *See* CR/PR at I-16, IV-25.

[190] CR/PR at IV-25.

[191] Information concerning inventories shows that U.S. inventories of cumulated subject imports increased from *** short tons in 2017 to *** short tons in 2018 and then declined to *** short tons in 2019. CR/PR at Table IV-6. Thus, U.S. inventories of cumulated subject imports declined *** percent from 2017 to 2019. Inventories of the subject merchandise in Mexico declined irregularly both on an absolute basis and relative to production. CR/PR at Table IV-9. The record does not contain information about inventories of subject merchandise in the other three subject countries.

they did during the original period of investigation.[192] We find that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.

D. Likely Price Effects of Subject Imports

Original Investigations. In the original determinations, the Commission found that LWR pipe and tube was largely a commodity product commonly produced to ASTM specifications, and a high degree of fungibility existed between the domestic like product and subject imports. It indicated that the vast majority of purchasers stated that price was very important to their purchasing decisions, and listed price as either the number one or number two factor in purchasing decisions.[193]

The Commission observed that cumulated subject imports undersold the domestic product in over 80 percent of quarterly comparisons by an average margin of approximately 15 percent.[194] It further found that the persistent underselling by subject imports depressed prices to a significant degree, leading the domestic producers to institute pricing programs in which they offered product to customers at greatly reduced prices to remain competitive with imported product and maintain volumes.[195]

The Commission also found that lower-priced subject imports suppressed domestic prices to a significant degree. The domestic industry's COGS as a share of net sales increased by 3.1 percentage points from 2005 to 2007. Domestic producers were unable to raise their prices sufficiently to cover costs due to significant volumes of lower-priced subject imports entering the U.S. market.[196] In sum, the Commission found that the record indicated significant underselling by subject imports during the period of investigation, and that subject imports depressed and/or suppressed domestic prices to a significant degree.[197]

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[192] We find that Section 232 and 301 tariffs are not likely to impede increased volumes of cumulated subject imports upon revocation. Imports from Mexico and Korea are not currently subject to additional tariffs pursuant to Section 232, although imports from Korea are currently subject to a quota. Moreover, subject imports from the four subject countries declined in response to the antidumping and countervailing duty orders, before the imposition of Section 232 and 301 tariffs. We find that the U.S. market is sufficiently attractive to encourage subject producers to again export significant quantities of LWR pipe and tube in the absence of the antidumping and countervailing duty orders notwithstanding Section 232 and 301 tariffs. We also observe that Commerce does not examine duty absorption for Section 232 and 301 tariffs.

[193] *Original Determinations*, USITC Pub. 4001 at 15-16.

[194] *Original Determinations*, USITC Pub. 4001 at 16. There were slight differences between the Commission's two determinations (*i.e.*, that for Turkey and that for other subject countries) regarding underselling frequency and margins due to the changed status of Prolamsa. In other respects, the price effects discussion in the two determinations were essentially similar. *See Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico,* Inv. Nos. 701-TA-449 and 731-TA-1118-1120 (Final), USITC Pub. 4024 (July 2008) at 9-10.

[195] *Original Determinations*, USITC Pub. 4001 at 16.

[196] *Original Determinations*, USITC Pub. 4001 at 17.

[197] *Original Determinations*, USITC Pub. 4001 at 18.

First Reviews. In the first review determinations, the Commission found that the record indicated consistent significant underselling by subject imports during the period of review. Despite the disciplining effects of the antidumping duty orders, subject imports from Mexico and Turkey undersold the domestic like product in 101 of 117 (or 86.3 percent of) pricing comparisons by an average underselling margin of 9.8 percent during the period of review.[198] Given the predominant underselling during the period of review, the significant underselling in the original investigations, and the finding that subject imports would likely increase upon revocation, the Commission concluded that there would likely be significant underselling upon revocation. Because of the importance of price in purchasing decisions, the Commission concluded that the underselling would likely cause the domestic industry to consider either reducing its prices or foregoing price increases to maintain market share, as it did during the original investigations.[199]

Current Reviews. As discussed above, we find that the domestic like product and cumulated subject imports are highly substitutable and that price is an important factor in purchasing decisions.

The Commission collected pricing data on sales of four products in these reviews.[200] Eleven U.S. producers and three importers provided usable pricing data.[201] Pricing data reported by these firms accounted for approximately 22.0 percent of U.S. producers' shipments of LWR pipe and tube and 18.8 percent of U.S. shipments of cumulated subject imports in 2019. There were no pricing data for sales of subject imports from China or Korea, and there were no pricing data for sales of products 2 or 4 from Turkey.[202]

Cumulated subject imports undersold the domestic like product in *** of *** (or *** percent of) instances with margins of underselling ranging from *** to *** percent.[203] This underselling occurred despite the disciplining effects of the orders under review. Given the predominant underselling during the period of review and the significant underselling in the original investigations, as well as our finding that subject imports would likely increase upon

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[198] *First Review Determinations*, USITC Pub. 4470 at 23.

[199] *First Review Determinations*, USITC Pub. 4470 at 22, 23.

[200] CR/PR at V-3. The four pricing products were:

Product 1.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), carbon welded, not pickled and oiled, 2 inch square, 0.120 inch (+ or -10 percent) wall thickness (11 gauge), 20 foot or 24 foot lengths.

Product 2.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, 1 inch square, 0.065 inch nominal wall thickness (+ or - 10 percent) (16 gauge), 20 foot or 24 foot mill lengths.

Product 3.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), hot-rolled, not pickled and oiled, 11 gauge or 0.120 inch +/- 10% wall, three inch square to four inches square, or in rectangular circumferences of 12 inches to 16 inches, lengths of 20 to 24 feet.

Product 4.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, galvanized, 2.5 inch square, 0.083 nominal wall thickness (+ or – 10 percent) (14 gauge), lengths of 20 to 24 feet. *Id*.

[201] CR/PR at V-3.

[202] CR/PR at V-4.

[203] *Derived from* CR/PR at V-18, Table V-8.

revocation, we find that the significant underselling would likely recur if the antidumping and countervailing duty orders were revoked. Because of the importance of price in purchasing decisions, this underselling in turn would likely cause the domestic industry to either reduce its prices or forego price increases to maintain market share, as was the case in the original investigations.

We therefore conclude that upon revocation there is likely to be significant underselling by imports of the subject merchandise as compared to domestic like products and that these imports are likely to enter at prices that would have a significant depressing or suppressing effects on the price of the domestic like product.

E. Likely Impact of Subject Imports

Original Investigations. In the original investigations, the Commission found that the record reflected declining trends for the domestic industry from 2005 to 2007, with significant declines in most indicators occurring in 2007.[204] U.S. production of LWR pipe and tube increased from 2005 to 2006, but declined in 2007 for an overall decline of 7.2 percent from 2005 to 2007.[205] The domestic industry's capacity and U.S. shipments of LWR pipe and tube declined each year for an overall decline of 6.5 percent and 7.4 percent, respectively, from 2005 to 2007. Capacity utilization followed production trends, increasing from 2005 to 2006, then declining in 2007.[206]

The Commission found that the domestic industry's financial indicators, including operating income and operating margins, improved from 2005 to 2006, but then fell to their lowest levels of the period in 2007.[207] Operating income rose from $53.6 million in 2005 to $61.7 million in 2006 before falling to $30.9 million in 2007, for a period decline of 42.4 percent. The industry's ratio of operating income to net sales followed a similar trend, growing from 9.9 percent in 2005 to 11.4 percent in 2006, then declining to 6.4 percent in 2007.[208]

Respondents had argued that the domestic industry continued to be profitable and maintained the same market share over the period of investigation despite a significant decrease in U.S. demand for LWR pipe and tube.[209] The Commission disagreed and found that while the drop in apparent U.S. consumption from 2006 to 2007 likely had a negative impact on the domestic industry in 2007, that impact was exacerbated by significant volumes of low-priced subject imports entering the market.[210] It observed that although apparent U.S. consumption dropped from 2006 to 2007, subject imports were still entering the market at rates that exceeded the volumes for 2006 until the filing of the petitions in late June.[211]

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[204] *Original Determinations*, USITC Pub. 4001 at 19.
[205] *Original Determinations*, USITC Pub. 4001 at 19.
[206] *Original Determinations*, USITC Pub. 4001 at 19.
[207] *Original Determinations*, USITC Pub. 4001 at 19.
[208] *Original Determinations*, USITC Pub. 4001 at 19.
[209] *Original Determinations*, USITC Pub. 4001 at 20.
[210] *Original Determinations*, USITC Pub. 4001 at 20.
[211] *Original Determinations*, USITC Pub. 4001 at 20.

First Reviews. In the first review determinations, the Commission found that the domestic industry experienced a significant downturn in 2009 and, although it improved thereafter when apparent U.S. consumption increased, sales volume and profitability remained below the levels observed during the original investigations.[212] Average production capacity remained relatively stable between 2008 and 2013, but production levels were lower in 2013 than during the original investigations.[213] Capacity utilization also declined before recovering later in the period of review.[214] End-of-period inventories relative to production and shipments increased overall and remained relatively high.[215]

Notwithstanding the increase in nonsubject imports during the period of review, the domestic industry was able to increase its share of the apparent U.S. consumption following imposition of the antidumping and countervailing duty orders.[216] Additionally, the number of production and related workers, total hours worked, and hours worked per worker all increased since the original investigations.[217] The industry's profitability fluctuated but declined overall.[218] In light of the industry's performance after the 2009 downturn, the Commission did not find it to be vulnerable.[219]

The Commission found that the likely increase in cumulated subject imports would likely lead to declines in the domestic industry's production, shipments, market share, and employment.[220] It concluded that to compete with the likely additional volumes of low-priced subject imports, the domestic industry would need to cut prices, forego needed price increases, or lose sales, as it did in the original investigations.[221]

In its non-attribution analysis, the Commission found that the continued presence of nonsubject imports in the market would not preclude subject imports from taking market share from the domestic industry or forcing the domestic industry to lower prices in light of the high substitutability of LWR pipe and tube from all sources.[222] It also found that the likely modest increase in U.S. demand would not preclude the domestic industry from incurring an adverse impact due to the likely significant volume and price effects of the subject imports.[223]

Current Reviews. The domestic industry's trade indicators generally improved during the current period of review. U.S. producers' capacity increased from *** short tons in 2017 and 2018 to *** short tons in 2019.[224] Production increased from *** short tons in 2017 to ***

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[212] *First Review Determinations*, USITC Pub. 4470 at 25.
[213] *First Review Determinations*, USITC Pub. 4470 at 26.
[214] *First Review Determinations*, USITC Pub. 4470 at 26.
[215] *First Review Determinations*, USITC Pub. 4470 at 26.
[216] *First Review Determinations*, USITC Pub. 4470 at 26.
[217] *First Review Determinations*, USITC Pub. 4470 at 27.
[218] *First Review Determinations*, USITC Pub. 4470 at 27.
[219] *First Review Determinations*, USITC Pub. 4470 at 27.
[220] *First Review Determinations*, USITC Pub. 4470 at 27.
[221] *First Review Determinations*, USITC Pub. 4470 at 27-28.
[222] *First Review Determinations*, USITC Pub. 4470 at 28.
[223] *First Review Determinations*, USITC Pub. 4470 at 28.
[224] CR/PR at Table III-4. Thus, U.S. producer's capacity increased *** percent from 2017 to 2019.

short tons in 2018 and *** short tons in 2019.[225] Capacity utilization rose from 2017 to 2019: it was *** percent in 2017, *** percent in 2018, and *** percent in 2019.[226] U.S. producers' U.S. shipments increased during the period of review, from *** short tons in 2017 to *** short tons in 2018 and *** short tons in 2019.[227] However, the domestic industry's inventories also rose, from *** short tons in 2017 to *** short tons in 2018 and *** short tons in 2019.[228] The industry's share of apparent U.S. consumption increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019.[229]

The domestic industry's employment data generally improved during the period of review. The number of production and related workers ("PRWs") increased from 1,220 in 2017 to 1,278 in 2018 and 1,343 in 2019, and total hours worked grew from 2.1 million hours in 2017 to 2.2 million hours in 2018 and 2019.[230] Hourly wages increased each year during the period of review, from $25.76 in 2017 to $28.43 in 2018 and $29.53 in 2019. Similarly, wages paid increased from $54.0 million in 2017 to $63.1 million in 2018 and $65.4 million in 2019.[231] However, productivity as measured in short tons per hour fluctuated during the period of review, initially decreasing from 256.5 in 2017 to 248.2 in 2018, and then increasing to 253.4 in 2019.[232]

Despite generally improving trade and employment indicators, the domestic industry's financial performance fluctuated. Net sales revenues increased from $484.5 million in 2017 to $595.5 million in 2018 before declining to $550.9 million in 2019.[233] The domestic industry's gross profit increased from $70.5 million in 2017 to $93.2 million in 2018, then declined to $49.8 million in 2019. Operating income followed a similar trend, increasing from $20.0 million in 2017 to $47.2 million in 2018 before decreasing to $6.4 million in 2019. The industry's ratio of operating income to sales increased from 4.1 percent in 2017 to 7.9 percent in 2018, and then declined to 1.2 percent in 2019. Its net income increased from $15.6 million in 2017 to

[225] CR/PR at Table III-4. Accordingly, domestic production increased *** percent from 2017 to 2019.

[226] CR/PR at Table III-4. Thus, domestic capacity utilization increased *** percentage points from 2017 to 2019.

[227] CR/PR at Table III-11. Accordingly, U.S. producers U.S. shipments increased *** percent from 2017 to 2019.

[228] CR/PR at Table III-9. Thus, the domestic industry's inventories increased *** percent from 2017 to 2019.

[229] CR/PR at Table I-11. Accordingly, the domestic industry's share of quantity of apparent U.S. consumption increased *** percentage points from 2017 to 2019.

[230] CR/PR at Tables III-11, C-1. Thus, domestic PRWs increased 10.0 percent, and total hours worked increased 4.7 percent from 2017 to 2019.

[231] CR/PR at Tables III-11, C-1. Accordingly, hourly wages increased 21,1 percent from 2017 to 2019.

[232] CR/PR at Tables III-11, C-1. Thus, productivity decreased 1.2 percent from 2017 to 2019.

[233] CR/PR at Tables III-12, C-1. Thus, net sales revenue increased 13.7 percent from 2017 to 2019.

$43.2 million in 2018, and then decreased to $948,000 in 2019.[234] Capital expenditures fluctuated, totaling $*** in 2017, $*** in 2018, and $*** in 2019.[235] The industry's ratio of COGS to net sales decreased from 85.5 in 2017 to 84.3 in 2018, before increasing to 91.0 in 2019.[236]

In assessing the question of the vulnerability of the domestic industry, we observe that the record indicates disparate trends. On the one hand, the industry's capacity, output, market share, and employment increased during the period of review.[237] On the other hand, its capacity utilization was low and its profitability was declining and lackluster by the conclusion of the period, as the industry's ratio of COGS to net sales increased sharply in 2019.[238]

As explained above, we find that cumulated subject import volume will likely be significant in the reasonably foreseeable future if the orders under review were revoked. The domestic industry supplies the majority of the U.S. market, and because subject imports are good substitutes for the domestic like product, an increase in cumulated subject imports would likely lead to declines in the domestic industry's production, shipments, market share, and employment.

We have further found that these additional volumes of cumulated subject imports would be priced in a manner that would likely undersell the domestic like product to a significant degree and likely have significant depressing or suppressing effects on prices of the domestic like product. Consequently, to compete with the likely additional volumes of subject imports, the domestic industry would need to cut prices, forego needed price increases, or lose sales, as it did in the original investigations. The resulting loss of revenues would likely cause further deterioration in the financial performance of the domestic industry which would result in likely reductions in employment and, ultimately, likely losses in output and market share. Therefore, we find that revocation of the orders under review would likely have a significant impact on the domestic industry.

We have also considered the role of factors other than subject imports so as not to attribute likely injury from other factors to the subject imports. Given the high substitutability of LWR pipe and tube from all sources, if the orders on subject imports were revoked, the likely significant volume of cumulated subject imports would likely compete with both the domestic like product and nonsubject imports. As was the case in the original investigations, the continued presence of nonsubject imports in the U.S. market would not preclude subject imports from taking market share from the domestic industry or forcing the domestic industry to lower prices in order to compete.

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[234] CR/PR at Tables III-12, C-1. Accordingly, gross profits declined 29.4 percent from 2017 to 2019. Operating income declined 68.0 percent from 2017 to 2019. The ratio of operating income to sales declined by 2.9 percentage points from 2017 to 2019. Net income decreased 93.9 percent from 2017 to 2019.

[235] CR/PR at Tables III-16, C-1. Thus, capital expenditures decreased *** percent from 2017 to 2019. Research and development ("R&D") expenses totaled $*** in 2017, $*** in 2018, and $*** in 2019. *Id*. Accordingly, R&D expenses increased *** percent from 2017 to 2019.

[236] CR/PR Tables III-14, C-1.

[237] CR/PR at Tables I-2, C-1.

[238] CR/PR at Table C-1.

We also observe that during the period of review, nonsubject imports had a declining presence in the U.S. market. Their share of the quantity of apparent U.S. consumption decreased from *** percent in 2017 and 2018 to *** percent in 2019.[239] Moreover, AUVs of combined nonsubject imports were above the AUVs for cumulated subject imports throughout the period of review.[240] These data further indicate that subject imports will likely cause declines in the domestic industry's output and market share and have price effects distinct from those caused by nonsubject imports.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, cumulated subject imports from China, Korea, Mexico, and Turkey would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

V. Conclusion

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

[239] CR/PR at Table I-11; *see also id*. at Table IV-16. Thus, nonsubject imports' share of apparent U.S. consumption declined *** percentage points from 2017 to 2019.

[240] CR/PR at Figure IV-1. We examine AUV data with caution as we recognize that differences in AUVs may reflect differences in product mix.

Part I: Introduction

Background

On August 23, 2019, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the countervailing duty order on light-walled rectangular pipe and tube ("LWR pipe and tube") from China and the antidumping duty orders on LWR pipe and tube from China, Korea, Mexico, and Turkey would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On August 5, 2019, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.[4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

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

[2] 84 FR 18577, May 1, 2019. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission's notice of institution. 84 FR 18477, May 1, 2019.

[4] 84 FR 44330, August 23, 2019. The Commission found that the group responses to its notice of institution from both the domestic interested parties and the respondent interested parties from Mexico were adequate. The Commission also found that the group responses from respondent interested parties from China, Korea and Turkey were inadequate. The Commission determined to conduct full reviews of the orders on LWR pipe and tube from China, Korea, Mexico, and Turkey in order to promote administrative efficiency.

[5] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B presents the domestic interested party's request to cancel the hearing in lieu of written questions.

Effective date	Action
May 30, 2008	Commerce's antidumping duty order on light-walled rectangular pipe and tube from Turkey (73 FR 31065)
August 5, 2008	Commerce's antidumping duty order on light-walled rectangular pipe and tube from China, Korea, and Mexico (73 FR 45403)
August 5, 2008	Commerce's countervailing duty order on light-walled rectangular pipe and tube from China (73 FR 45405)
May 1, 2019	Commission's institution of five-year reviews (84 FR 18577)
May 1, 2019	Commerce's initiation of five-year reviews (84 FR 18477)
August 5, 2019	Commission's determinations to conduct full five-year reviews (84 FR 44330)
August 27, 2019	Commerce's final results of expedited five-year reviews of the antidumping duty order (84 FR 44849)
August 30, 2019	Commerce's final results of expedited five-year reviews of the countervailing duty order (84 FR 45726)
January 13, 2020	Commission's scheduling of the reviews (85 FR 3717, January 22, 2020)
May 8, 2020	Commission's hearing – Canceled (85 FR 31550, May 26, 2020)
June 26, 2020	Commission's vote
July 22, 2020	Commission's determinations and views

The original investigations

The original investigations resulted from petitions filed by Allied Tube and Conduit, Harvey, Illinois; Atlas, Plymouth, Michigan; California Steel, City of Industry, California; EXL Tube, Kansas City, Missouri; Hannibal, Los Angeles, California; Leavitt Tube Company LLC, Chicago, Illinois; Maruichi, Santa Fe Springs, California; Searing, Rancho Cucamonga, California; Southland, Birmingham, Alabama; Vest, Los Angeles, California; Welded Tube, Concord, Ontario (Canada); and Western Tube and Conduit, Long Beach, California on June 27, 2007 alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of light-walled rectangular pipe and tube from China and less-than-fair-value ("LTFV") imports of light-walled rectangular pipe and tube from China, Korea, Mexico, and Turkey. Following notification of final determinations by Commerce that imports of light-walled rectangular pipe and tube from China were being subsidized and imports of light-walled rectangular pipe and tube from China, Korea, Mexico, and Turkey were being sold at LTFV, the Commission determined that a domestic industry was materially injured by reason of subsidized imports of LWR pipe and tube from China and LTFV imports of LWR pipe and tube

from China, Korea, Mexico, and Turkey.[6] Commerce published the antidumping duty order on LWR pipe and from Turkey on May 30, 2008.[7] On August 5, 2008, Commerce published the antidumping duty orders on subject imports of LWR pipe and tube from China, Mexico, and Korea and the countervailing duty order on China.[8]

The first five-year reviews

In June 2014, the Commission completed full five-year reviews of the subject orders and determined that revocation of the countervailing duty order on LWR pipe and tube from China and revocation of the antidumping duty orders on LWR pipe and tube from China, Mexico, Korea, and Turkey would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[9] Following affirmative determinations in the first five-year reviews by Commerce and the Commission,[10] Commerce issued a continuation of the antidumping and countervailing duty orders on imports of LWR pipe and tube from China, Korea, Mexico, and Turkey, effective June 23, 2014.[11]

Previous and related investigations

The Commission has investigated LWR pipe and tube several times both in import-injury investigations and in studies associated with steel safeguard measures.[12] Table I-1 presents

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[6] Light-Walled Rectangular Pipe and Tube from Turkey, Inv. No. 731-TA-1121 (Final), USITC Publication 4001 (May 2008); Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico, Inv. Nos. 731-TA-118-1120 (Final), USITC Publication 4024 (July 2008). By decision and order dated November 26, 2010, a NAFTA Chapter 19 Binational Panel affirmed in part and remanded in part the Commission's unanimous final affirmative determination with regard to LWR pipe and tube from Mexico. Upon consideration of the remand order, the Commission again found that an industry in the United States was materially injured by reason of imports of LWR pipe and tube from Mexico that have been found by the Department of Commerce to be sold in the United States at less than fair value. Light-Walled Rectangular Pipe and Tube from Mexico, Inv. 731-TA-1120 (Remand), USITC Publication 4272 (February 2011).

[7] 73 FR 31065, May 30, 2008.

[8] 73 FR 45403, August 5, 2008; 73 FR 45405, August 5, 2008.

[9] Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Publication 4470, June 2013, p. 3.

[10] 79 FR 33950, June 13, 2014; 78 FR 47671, August 6, 2013.

[11] 79 FR 35522, June 23, 2014.

[12] President George W. Bush issued a proclamation in 2002, imposing temporary import relief with respect to steel for a period not to exceed three years and one day. Import relief, which did not apply to Mexico or Turkey, consisted of an additional tariff of 15 percent *ad valorem* on steel imports in the first

(*continued*...)

data on previous import injury investigations and reviews concerning LWR pipe and tube. Currently, only imports of LWR pipe and tube from Taiwan are subject to an antidumping duty order.

Table I-1
LWR pipe and tube: Previous and related Commission proceedings

Source	Inv. No.	USITC Publication		Result
		Number	Date	
Korea	731-TA-138 (Final)	USITC 1519	April 1984	Affirmative; revoked October 1985 VRA
Spain	731-TA-198 (Preliminary)	USITC 1569	August 1984	Terminated after preliminary; petition withdrawn
Taiwan	731-TA-211 (Final)	USITC 1799	January 1986	Negative
Singapore	731-TA-296 (Final)	USITC 1907	November 1986	Affirmative
	731-TA-296 (Review)	USITC 3316	July 2000	Revoked following ITC negative
Taiwan	731-TA-349 (Final)	USITC 1994	July 1987	Negative
Argentina	731-TA-409 (Final)	USITC 2187	May 1989	Affirmative
	731-TA-409 (Review)	USITC 3316	July 2000	Order continued
	731-TA-409 (Second Review)	USITC 3867	July 2006	Revoked following ITC negative
Taiwan	731-TA-410 (Final)	USITC 2169	March 1989	Affirmative
	731-TA-410 (Review)	USITC 3316	July 2000	Order continued
	731-TA-410 (Second Review)	USITC 3867	July 2006	Order continued
	731-TA-410 (Third Review)	USITC 4301	January 2012	Order continued
	731-TA-410 (Fourth Review)	USITC 4707	July 2017	Order continued
Mexico	731-TA-730 (Preliminary)	USITC 2892	May 1995	ITC Negative
Mexico	731-TA-1054 (Final)	USITC 3728	October 2004	ITC Negative

Source: U.S. International Trade Commission publications.

(…*continued*)
year, 12 percent in the second year, and 9 percent in the third year. The steel safeguard tariffs were terminated on December 4, 2003. 68 FR 68483, December 8, 2003.

Summary data

Table I-2 and figure I-1 present a summary of data from the original investigations, the first full five-year reviews, and the current full five-year reviews.[13] [14] Between 2007 and 2013, U.S. consumption by quantity decreased by 24.7 percent, while U.S. producers' share of consumption by quantity increased by 12.0 percentage points during the same time period. Between 2007 and 2013, U.S. importers' share of U.S. consumption for imports from subject sources decreased by *** percentage points, while U.S. importers' share of U.S. consumption for imports from nonsubject sources increased by *** percentage points.

Between 2013 and 2019, U.S. consumption quantity increased by *** percent, while U.S. producers' share of consumption by quantity decreased by *** percentage points. Between 2013 and 2019, U.S. importers' share of U.S. consumption for imports from subject sources decreased by *** percentage points, while U.S. importers' share of U.S. consumption for imports from nonsubject sources increased by *** percentage points.

Table I-2
LWR pipe and tube: Comparative data from the original investigations and subsequent reviews, 2007, 2013, 2019

Item	Original investigations	First reviews	Second reviews
	2007	2013	2019
	Quantity (short tons)		
U.S. consumption quantity	894,973	674,043	***
	Share of quantity (percent)		
Share of U.S. consumption:			
U.S. producers' share	64.8	76.8	***
U.S. importers' share:			
China	9.9	---	***
Korea	***	***	***
Mexico	15.7	12.3	***
Turkey	1.6	0.3	***
Subject sources	***	12.6	***
Nonsubject sources	***	10.6	***
All import sources	***	23.2	***

Table continued on next page.

[13] Responding U.S. producers from the original investigation, first reviews, and second reviews accounted for the vast majority of U.S. production of LWR pipe and tube during each of the relevant periods.

[14] ***.

Table I-2—Continued
LWR pipe and tube: Comparative data from the original investigation and subsequent reviews, 2007, 2013, 2019

Item	Original investigations	First reviews	Second reviews
	2007	2013	2019
	Value (1,000 dollars)		
U.S. consumption	730,480	653,960	***
	Share of value (percent)		
Share of U.S. consumption:			
U.S. producers' share	69.0	78.6	***
U.S. importers' share:			
China	7.2	---	***
Korea	***	***	***
Mexico	14.1	10.2	***
Turkey	1.3	0.3	***
Subject sources	***	10.5	***
Nonsubject sources	***	10.8	***
All import sources	***	21.4	***
	Quantity (short tons); Value (1,000 dollars); and Unit Value (dollars per short ton)		
U.S. imports.--			
China			
Quantity	88,879	126	380
Value	52,939	144	738
Unit value	$596	$1,139	$1,942
Korea:			
Quantity	***	***	20
Value	***	***	21
Unit value	***	***	$1,038
Mexico:			
Quantity	140,938	82,710	85,630
Value	102,713	66,982	75,116
Unit value	$729	$810	$877
Turkey:			
Quantity	14,511	2,101	1,114
Value	9,192	1,836	1,095
Unit value	$633	$874	$983
Subject sources:			
Quantity	***	***	87,144
Value	***	***	76,970
Unit value	***	***	$883
Nonsubject sources:			
Quantity	***	***	109,496
Value	***	***	108,998
Unit value	***	***	$995
All import sources:			
Quantity	315,414	156,693	196,640
Value	226,399	139,744	185,968
Unit value	$718	$892	$946

Table continued on next page.

Table I-2—Continued
LWR pipe and tube: Comparative data from the original investigation and subsequent reviews, 2007, 2013, 2019

Item	Original investigations	First reviews	Second reviews
	2007	2013	2019
	Quantity (short tons); Value (1,000 dollars); and Unit Value (dollars per short ton)		
U.S. industry:			
Capacity (quantity)	902,385	1,131,083	***
Production (quantity)	580,847	540,664	***
Capacity utilization (percent)	64.4	47.8	***
U.S. shipments:			
Quantity	579,559	517,350	***
Value	504,081	514,216	***
Unit value	$870	$994	***
Ending inventory	56,366	85,212	***
Inventories/total shipments	9.6	15.6	***
Production workers	973	976	***
Hours worked (1,000)	1,682	2,198	***
Wages paid (1,000 dollars)	31,485	72,462	***
Hourly wages	$18.71	$32.97	***
Productivity (short tons per 1,000 hour)	345.3	246.0	***
Financial data:			
Net sales:			
Quantity	549,260	546,511	572,015
Value	481,378	533,566	550,862
Unit value	$876	$976	$963
Cost of goods sold	418,199	463,763	501,107
Gross profit or (loss)	63,179	69,803	49,755
SG&A expense	32,310	35,714	43,365
Operating income or (loss)	30,869	34,089	6,390
Unit COGS	$761	$849	$876
Unit operating income	$56	$62	$11
COGS/ Sales (percent)	86.9	86.9	91.0
Operating income or (loss)/ Sales (percent)	6.4	6.4	1.2

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

Note.--***.

Source: Office of Investigations memorandum INV-FF-078 (July 8, 2008), memorandum INV-MM-037 (May 5, 2014), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Figure I-1
LWR pipe and tube: U.S. producers' U.S. shipments and U.S. imports for 2005-19

* * * * * * *

Note.-- Staff has adjusted U.S. Producer *** 2014-16 U.S. shipment data to match its reported 2017 U.S. shipment data. The firm reported that it is unable to provide shipment data for 2014-16 as ***. Email from ***, May 1, 2020.

Source: Office of Investigations memorandum INV-MM-037 (May 5, 2014), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Statutory criteria

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

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

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) 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.

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

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

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

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

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

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

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

Organization of report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for LWR pipe and tube as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of 13 U.S. producers of LWR pipe and tube that are believed to have accounted for the large majority of domestic production of LWR pipe and tube in 2019. U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of 13 U.S. importers of LWR pipe and tube that are believed to have accounted for 69.0 percent of the total subject U.S. imports during 2019. Foreign industry data and related information are based on the questionnaire responses of six producers of LWR pipe and tube. Six producers in Mexico submitted questionnaire responses and are believed to account for over 70 percent of Mexican exports to the United States during 2019.[15] Responses by U.S. producers, importers, purchasers, and foreign producers of LWR pipe and tube to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

[15] No Foreign Producers' questionnaire responses were received from firms in China or Korea. Two firms in Turkey, ***, responded to the Commissions' questionnaire certifying they had not produced or exported LWR pipe and tube at any time since January 1, 2014.

Commerce's reviews[16]

Administrative reviews

Commerce has not completed, since the last review, any administrative reviews of the outstanding countervailing or antidumping duty orders on LWR pipe and tube from China, or of the outstanding antidumping duty order on LWR pipe and tube from Korea.[17]

Mexico

Commerce has completed five antidumping duty administrative reviews with regard to subject imports of LWR pipe and tube from Mexico since the last review. The results of the administrative reviews are shown in table I-3.

Table I-3
LWR pipe and tube: Administrative reviews of the antidumping duty orders for Mexico

Date results published	Period of review	Producer or exporter	Margin (percent)
January 31, 2014; 79 FR 5375	8/1/2011 – 7/31/2011	Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiopytsa)	1.45
		Maquilacero S.A. de C.V. (Maquilacero)	0.00
November 12, 2015; 80 FR 69941	8/1/2013 – 7/31/2014	Perfiles y Herrajes LM, S.A. de C.V. (Perfiles)	0.00
March 12, 2018; 83 FR 10664	8/1/2015 – 7/31/2016	Productos Laminados de Monterrey S.A. de C.V (Prolamsa)	0.00
April 22, 2019; 84 FR 16646	8/1/2016 – 7/31/2017	Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiopytsa)	8.32
		Maquilacero S.A. de C.V. (Maquilacero)	17.65
May 27, 2020; 85 FR 31740[18]	8/1/2017 – 7/31/2018	Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiopytsa)	3.40
		Maquilacero S.A. de C.V. (Maquilacero)	2.82

Source: Cited Federal Register notices.

[16] Commerce has not issued any duty absorption findings, any company revocations, or anti-circumvention findings since the imposition of the order.

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

[18] Amended Final Results of the administrative review. For the original Final Results see 85 FR 21829, April 20, 2020.

Turkey

Commerce has completed three antidumping duty administrative reviews with regard to subject imports of LWR pipe and tube from Turkey since the last review. The results of the administrative reviews are shown in table I-4.

Table I-4
LWR pipe and tube: Administrative reviews of the antidumping duty orders for Turkey

Date results published	Period of review	Producer or exporter	Margin (percent)
July 23, 2014; 79 FR 42761	5/1/2012 – 4/30/2013	Yücel Boru ve Profil Endustrisi A.S. (Yücel)	0.00
August 5, 2015; 80 FR 46542	5/1/2013 – 4/30/2014	ÇINAR Boru Profil Sanayi ve Ticaret A.Ş. (CINAR)	0.00
May 10, 2016; 81 FR 28823	5/1/2014 – 4/30/2015	Agir Haddecilik A.Ş. (Haddecilik)	0.00

Source: Cited Federal Register notices.

Changed circumstances reviews

Commerce has conducted one changed circumstances review with respect to LWR pipe and tube from Mexico since the last review and determined that Perfiles LM, S.A. de C.V. is the successor-in-interest to Perfiles y Herrajes LM, S.A. de C.V. ("Perfiles y Herrajes") and, as a result, should be accorded the same treatment previously accorded to Perfiles y Herrajes in regard to the antidumping duty order on LWR pipe and tube from Mexico as of March 29, 2018.[19]

Scope rulings

Commerce has issued three scope rulings with respect to LWR pipe and tube from China as shown in table I-5.

[19] 83 FR 13475, March 29, 2018.

Table I-5
LWR pipe and tube: Commerce's scope rulings

Requestor	Product to be excluded	Commerce ruling	*Federal Register* cite
MMI Products, Inc.	"Secure-Weld Plus" fence posts	Denied	75 FR 14138 March 24, 2010[1]
Acme Manufacturing Company	Black and perforated square tubes	Denied	83 FR 31733 July 9, 2018
Carlson AirFlo	Certain finished components of refrigerated merchandising and display structures	Granted	84 FR 48912 September 17, 2019

[1] See also Commerce's "Issues and Decision Memorandum for the Final Results of the Expedited First Five-Year (Sunset) Reviews of the Antidumping Duty Orders on Light-Walled Rectangular Pipe and Tube from the Republic of Korea, Mexico, Turkey, and the People's Republic of China," July 30, 2013, p. 5.
Source: Cited *Federal Register* notices; Cited Commerce document

Five-year reviews

Commerce has issued the final results of its expedited reviews with respect to all subject countries.[20] Tables I-6 and I-7 present the countervailable subsidy and dumping margins calculated by Commerce in its original investigations, first reviews, and second reviews.

Table I-6
LWR pipe and tube: Commerce's original, first five-year, and second five-year countervailable subsidy margins for producers/exporters in China

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)
Kunshan Lets Win Steel Machinery Co., Ltd.	2.17	2.20	2.20
Qingdao Xiangxing Steel Pipe Co., Ltd.	200.58	200.58	200.58
Zhangjiagang Zhongyuan Pipe-making Co., Ltd., Jiangsu Qiyuan Group Co., Ltd.	15.28	15.28	15.28
All others	15.28	15.28	15.28

Source: 73 FR 35642, June 24, 2008; 78 FR 48416, August 8, 2013; and 84 FR 45726, August 30, 2019.

[20] 84 FR 44849, August 27, 2019 and 84 FR 45726, August 30, 2019.

Table I-7
LWR pipe and tube: Commerce's original, first five-year, and second five-year dumping margins for producers/exporters, by subject country

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)
China			
Zhangjiangang Zhongyuan Pipe Making Co., Ltd.	264.64	255.07	Up to 255.07
Kunshan Lets Win Steel Machinery Co., Ltd.	249.12	247.90	
Wuxi Baishun Steel Pipe Co., Ltd.	249.12	247.90	
Guangdong Walsall Steel Pipe Industrial Co., Ltd.	249.12	247.90	
Wuxi Worldunion Trading Co., Ltd.	249.12	247.90	
Weifang East Steel Pipe Co., Ltd.	249.12	247.90	
Jiangyin Jianye Metal Products Co., Ltd.	249.12	247.90	
All others	264.64	255.07	
Korea			
Nexteel Co., Ltd.	0.92 *(de minimus)*	*(excluded)*	Up to 30.66
Dong-A Steel Pipe Co. Ltd.	30.66	30.66	
HiSteel Co. Ltd.	30.66	30.66	
Jinbang Steel Co. Ltd.	30.66	30.66	
Joong Won	30.66	30.66	
Miju Steel Mfg. Co., Ltd.	30.66	30.66	
Yujin Steel Industry Co.	30.66	30.66	
Ahshin Pipe & Tube	30.66	30.66	
Han Gyu Rae Steel Co., Ltd.	30.66	30.66	
Kukje Steel Co., Ltd.	30.66	30.66	
SeAH Steel Corporation, Ltd.	15.79	15.79	
All others	15.79	15.79	
Mexico			
Maquilacero S.A. de C.V.	2.40	2.40	Up to 11.50
Productos Laminados de Monterrey S.A. de C.V.	5.12	5.12	
Arco Metal S.A. de C.V.	3.76	3.76	
Hylsa S.A. de C.V.	3.76	3.76	
Industrias Monterrey S.A. de C.V.	11.50	11.50	
Internacional de Aceros, S.A. de C.V.	3.76	3.76	
Nacional de Acero S.A. de C.V.	11.50	11.50	
PEASA-Productos Especializados de Acero	11.50	11.50	
Perfiles y Herrajes LM, S.A. de C.V.	3.76	3.76	
Regiomontana de Perfiles y Tubos	3.76	3.76	
Talleres Acero Rey S.A. de C.V.	3.76	3.76	
Tuberias Aspe	11.50	11.50	
Tuberia Laguna, S.A. de C.V.	3.76	3.76	
Tuberias y Derivados S.A. de C.V.	11.50	11.50	
All others	3.76	3.76	

Table continued on next page.

Table I-7--Continued
LWR pipe and tube: Commerce's original, first five-year, and second five-year dumping margins for producers/exporters, by country

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)
Turkey			
Guven Boru Profil Sanayii ve Ticaret Limited Sirketi	41.71	41.71	Up to 41.71
MMZ Onur Boru Profil Uretim San. ve Tic. A.S.	41.71	41.71	
Anadolu Boru	41.71	41.71	
Ayata Metal Industry	41.71	41.71	
Goktas Tube/Gotkas Metal	41.71	41.71	
Kalibre Boru Sanayi ve Ticaret A.S.	41.71	41.71	
Kerim Celik Mamulleri Imalat ve Ticaret	41.71	41.71	
Ozgur Boru	41.71	41.71	
Ozmak Makina ve Elektrik Sanayi	41.71	41.71	
Seamless Steel Tube and Pipe Co. ("Celbor")	41.71	41.71	
Umran Steel Pipe Inc	41.71	41.71	
Yusan Industries, Ltd.	41.71	41.71	
Borusan Mannesmann Boru	27.04	27.04	
Erbosan Erciyas Boru Sanayii ve Ticaret A.S	27.04	27.04	
Noksel Steel Pipe Co.	27.04	27.04	
Ozborsan Boru San. ve Tic. A.S	27.04	27.04	
Ozdemir Boru Sanayi ve Ticaret Ltd. Sti.	27.04	27.04	
Toscelik Profil ve Sac End. A.S.	27.04	27.04	
Yucel Boru ve Profil Endustrisi A.S	27.04	27.04	
All others	27.04	27.04	

Source: 73 FR 45403, August 5, 2008 (Korea, Mexico, China); 73 FR 19814, April 11, 2008 (Turkey); 78 FR 47671, August 6, 2013; and 84 FR 44849, August 27, 2019.

The subject merchandise

Commerce's scope

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

> *The merchandise subject to the orders is certain welded carbon quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm.*
> *The term carbon-quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements. Specifically, the term carbon-quality includes products in which none of the elements listed below exceeds the quantity by weight respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of*

molybdenum, or 0.10 percent of niobium, or 0.15 percent vanadium, or 0.15 percent of zirconium. The description of carbon-quality is intended to identify carbon-quality products within the scope. The welded carbon-quality rectangular pipe and tube subject to these orders is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7306.61.50.00 and 7306.61.70.60. While HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of the orders is dispositive.[21]

Tariff treatment

Based on the scope set forth by Commerce, LWR pipe and tube subject to these reviews are provided for in statistical reporting numbers 7306.61.5000 and 7306.61.7060 of the Harmonized Tariff Schedule of the United States ("HTSUS" or "HTS").[22] LWR pipe and tube produced in China, Korea, Mexico, and Turkey enters the U.S. market at a column-1 general duty rate of "free." Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Section 232 and 301 treatment

HTS heading 7306 was included in the enumeration of steel mill products that are subject to the additional 25 percent ad valorem national-security duties under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.SA.C. 1862).[23] See also U.S. notes 16(a) and 16(b) to subchapter III of chapter 99.[24]

HTS subheadings 7306.61.50 and 7306.61.70 were included among the products of China which are subject to additional tariffs under Section 301 of the Trade Act of 1974. See U.S. notes 20(r) and 20(s), subchapter III of chapter 99 which discuses articles and products from China. For HTS heading 9903.88.15, the ad valorem duty is 7.5 percent ad valorem.[25]

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[21] 83 FR 5987, February 12, 2018.

[22] *HTSUS (2020) Revision 12*, USITC Publication 5066, June 2020, ch. 73, p.19.

[23] Imports of Steel Mill Articles (Steel Articles) Under Section 232 of the Trade Expansion Act of 1962, As Amended (19 U.S.C.1862), Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

[24] *HTSUS (2020) Revision 12*, USITC Publication 5066, June 2020, ch. 99, pp. 99-III-5 - 99-III-6.

[25] USTR, Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 85 FR 3741, January 22, 2020. *HTSUS (2020) Revision 12*, USITC Publication 5066, June 2020, pp. 99-III-82 - 99-III-96.

The product

Description and applications[26]

LWR pipe and tube is a long-rolled, welded carbon steel product commonly used in applications not involving the conveyance of liquids or gases and is not designed to be load bearing. The most common applications for LWR pipe and tube are those for which a thinner wall may be preferred, such as ornamental fencing, window guards, door security frames, metal furniture, cattle chutes, railings, furniture components, athletic equipment, lawn and garden equipment, store display shelves, racks, and other similar items. LWR pipe and tube's physical properties and specifications often depend on the intended end use. Corrosion-resistant LWR pipe and tube, often galvanized, are used in applications where corrosion resistance is required, such as air-conditioning equipment, automotive parts, or certain outdoor signs.

The terms "pipes," "tubes," and "tubular products" are interchangeable in common usage and in the HTSUS. However, tubular-product manufacturers typically classify "pipes" as having a circular cross-section in a few standard sizes, whereas "tubes" may have any cross-sections including circular, square, rectangular or others. Pipes are specified in terms of their internal nominal diameter, whereas tubes are specified in terms of their outside dimensions and wall thickness. Steel pipes and tubes can be further subdivided according to their manufacturing method (welded or seamless) or grades of steel (carbon, alloy, or stainless).[27] Only welded carbon-steel tubular products are subject to these reviews.

LWR pipe and tube sold in the U.S. market is generally manufactured to conform to standards of the American Society for Testing and Materials ("ASTM") International[28] or the American Society of Mechanical Engineers ("ASME"). Chemical requirements, testing

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[26] Unless otherwise noted, this information is based on *Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey*, Investigation Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Publication 4470, June 2013, pp. I-15-I-17; and *Light-Walled Rectangular Pipe and Tube from Taiwan*, *Inv. No. 731-TA-410 (Fourth Review)*, USITC Publication 4707, July 2017, pp. I-9 through I-10.

[27] Although carbon steel contains trace amounts of alloy elements, it is mainly composed of carbon and iron. Alloy steel is any type of steel to which one or more elements besides carbon have been intentionally added to produce a desired physical property or characteristic. Common elements that are added to make alloy steel are molybdenum, manganese, nickel, silicon, boron, chromium, and vanadium. Stainless steel is an alloy steel composed of certain amounts of nickel and chromium, which makes it corrosion resistant.

[28] ASTM International (formerly the American Society for Testing and Materials) is not a product testing or certification organization. Rather, manufacturers can voluntarily choose to indicate on the label or packaging that their products have been tested in accordance to ASTM standards.

procedures, and permissible variations (tolerances) are specified in the ASTM and ASME specifications. Domestically produced and subject imported LWR pipe and tube is typically manufactured to meet ASTM A-500 (ornamental tubing)[29] or ASTM A-513 (mechanical tubing).[30] In the U.S. market, LWR pipe and tube is commonly stocked and sold in 20- or 24-foot straight lengths in bundles.[31]

Generally, less expensive products such as steel angle, bar, rod, and channel can be utilized in place of LWR pipe and tube in many applications, however, their inferior strength-to-weight ratio may restrain their usage in many instances. Circular light-walled pipe and tube could serve as a substitute to LWR pipe and tube, but end-user specifications and customer preferences limit the interchangeability of these products.

Manufacturing processes[32]

U.S. producers currently employ two methods to manufacture LWR pipe and tube (figure I-2); both utilize the electrical resistance welding process ("ERW"):

(1) Two-stage forming: In this process, flat-rolled steel sheet first is cut into strips of the width needed to produce the desired size of pipe and tube. The steel strips are then fed into equipment that bends the strip into tubular form. The edges of the strip are then pressed together and heated to approximately 2,600 degrees Fahrenheit to form a weld. After welding, the round pipe or tube is formed into rectangular or square shapes by passing through forming rolls. The pipe or tube is then cooled and cut to length.

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[29] ASTM A-500, specifically A500M - 18, covers cold-formed welded and seamless carbon steel round, square, rectangular, or special shape structural tubing for welded, riveted, or bolted construction of bridges and buildings, and for general structural purposes.

[30] Mechanical tubing is either welded or seamless tubing that is produced in different sizes, shapes, and chemical compositions to meet the specification required for the end use. ASTM A-513, specifically A513M - 19 covers the following: 1) electric-resistance-welded carbon and alloy steel tubing for use as mechanical tubing, 2) mechanical tubing made from hot- or cold-rolled steel, and 3) round, square, rectangular, and special shape tubing.

[31] The following U.S. manufacturers stated that they stock 20 foot and 24 foot LWR pipe and tube on their respective websites: Bushwick Metals; Hannibal Industries; Searing Industries; Southland Tube, Inc., and Northwest Pipe. *Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey*, Investigation Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Publication 4470, June 2013, pp. I-15-I-17

[32] Unless otherwise noted, this information is based on Light-Walled Rectangular Pipe and Tube from Taiwan, Inv. No. 731-TA-410 (Fourth Review), USITC Publication 4707, July 2017, pp. I-9 through I-10.

(2) Direct forming: In this process, LWR pipe and tube is produced directly from flat-rolled steel coil to rectangular tubular products. Essentially, the steel sheet is formed into a rectangular shape and then the edges are welded together. The pipe or tube is then cooled and cut to length.

These two processes can be performed on the same equipment, by the same employees that produce round pipe and tube and structural (heavier-walled rectangular) tube which are out of scope for these investigations. Following the welding process, LWR pipe and tube is often galvanized[33] by coating with a thin film of zinc to protect the steel from surface corrosion LWR pipe and tube can be distinguished by its coating type - either corrosion- resistant or black. Corrosion-resistant LWR pipe and tube is produced from hot-rolled or cold-rolled sheet that is clad, plated, or coated with corrosion resistant metals such as zinc, aluminum, zinc-aluminum, nickel or iron-based alloys and may be painted, varnished, or coated with other non-metallic substances in addition to the metallic coating. Black LWR tubing is blackened, pickled or coated with a thin layer of oil or lacquer for weather and rust protection, and does not meet the specifications for corrosion-resistant products. Both black and corrosion-resistant products can be used in the same applications depending on customers' specifications. After galvanization, the LWR pipe and tube is tested and inspected.

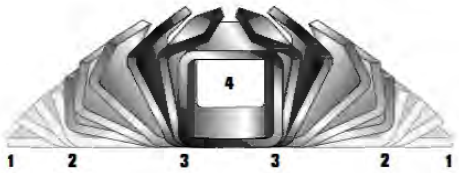
[33] The bath temperature should be between 830 to 850 degrees Fahrenheit. Galvanized coatings are formed by a chemical process during which steel and zinc metallurgically bond together, forming a series of corrosion-inhibiting, highly abrasion-resistant zinc/iron alloy layers. The most common method for galvanizing is the hot-dip process, which involves dipping the tube into a molten zinc bath.

Figure I-2

LWR pipe and tube: The two manufacturing methods used by U.S. producers

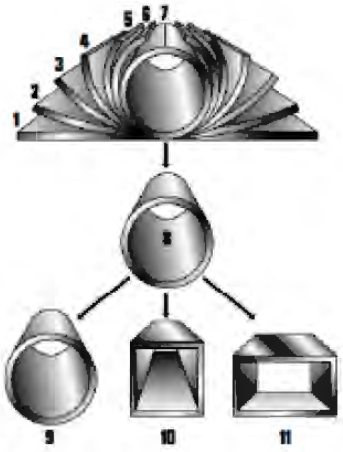
Form-Square Weld-Square (ERW) Process

In the weld mill, driven forming dies progressively shape the flat strip (1) by forming th corners (2) of the square or rectangular tube in the initial forming station. Subsequent the bottom two corners (3) of the shape. No cold working of the sides of the shape is the shape's seam is welded by high-frequency contacts when the tube is near its final The welded tube (4) is cooled and then driven through a series of sizing stations which tube's final dimensions.



Electric Resistance Welding (ERW) Process

In the tube mill, flat steel strip (1) is formed continuously around its longitudinal axis to pro round tube. This is done by moving the strip through a progressive set of rolls (2-6). The stri are heated by either high frequency induction or contact welding and then forged togethe rolls to create a continuous longitudinal weld without the addition of filler metal. The weld is then cooled and processed through a set of sizing shaping rolls which cold-form it into a square (10) or rectangular (11) section.



Source: Steel Tube Institute of North America, "Hollow Structural Section Dimension and Properties," https://steeltubeinstitute.org/hss/wp-content/uploads/sites/2/2016/06/V2A500TechBrochureDimensionsAndSectionProperties.pdf (accessed March 9, 2020).

Domestic like product issues

In its original determinations and its first full five-year review determinations, the Commission defined a single domestic like product consisting of LWR pipe and tube, coextensive with the scope of the investigations.[34] [35] In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.[36] Responding domestic interested

[34] *Light-Walled Rectangular Pipe and Tube from Turkey, Inv. No. 731-TA-1121 (Final)*, USITC Publication 4001 (May 2008), p. 7.

[35] *Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review),* USITC Publication 4470 (June 2013), p. 5.

[36] 84 FR 18577, May 1, 2019.

parties agree with the Commission's definitions of the domestic like product and domestic industry as stated in the original investigations and last five-year reviews.[37] In its prehearing and posthearing briefs, the domestic parties agreed with the definition of the domestic like product set forth in the original investigations.[38] No other interested party provided further comment on the domestic like product.

U.S. market participants

U.S. producers

During the original investigations, 22 firms supplied the Commission with information on their U.S. operations with respect to LWR pipe and tube. These firms accounted for the vast majority of U.S. production of LWR pipe and tube.[39] During the first full five-year reviews, 18 firms supplied the Commission with information on their U.S. operations with respect to LWR pipe and tube. These firms accounted for the vast majority of U.S. production of LWR pipe and tube in 2013.[40] In these current proceedings, the Commission issued U.S. producers' questionnaires to 19 firms, 13 of which provided the Commission with information on their product operations. These firms are believed to account for the vast majority of U.S. production of LWR pipe and tube in 2019. Presented in table I-8 is a list of current domestic producers of product and each company's position on continuation of the orders, production location(s), related and/or affiliated firms, and share of reported production of LWR pipe and tube in 2019.

[37] Domestic interested parties' response to the notice of institution, May 31, 2019, p. 20.

[38] Domestic interested parties' prehearing brief, May 5, 2020, p. 5; Domestic interested parties' posthearing brief, May 22, 2020, p. 2.

[39] The 22 U.S. producers that supplied the Commission with usable questionnaire information during the original investigations were: AK Steel, Allied, Atlas (Chicago), Bull Moose, California Steel, Evraz Oregon, EXL Tube, Hanna, Hannibal, Leavitt, Leggett & Platt, Longhorn, Maruichi, Mid-States, Northwest Tube, Prolamsa, Searing, Southeast, Southland, Vest, and Western.

[40] The 18 U.S. producers that supplied the Commission with usable questionnaire information during the first full five-year reviews were: AK Tube, Allied, Atlas (Chicago), Bull Moose, California Steel, Evraz Oregon, EXL Tube, Hanna, Hannibal, Leavitt, Leggett & Platt, Maruichi, Prolamsa, Searing, Southeast, Southland, Vest, and Western.

Table I-8
LWR pipe and tube: U.S. producers, positions on orders, U.S. production locations, and shares of 2019 reported U.S. production

Firm	Position on continuation of order(s)	Production location(s)	Share of production (percent)
ACI	***	Cadiz, Ky LaVergne, TN	***
AK Tube	***	Walbridge, OH	***
Atlas	***	Chicago IL Plymouth MI Blytheville AR Birmingham AL	***
Bull Moose	***	Gerald, MO Chicago, IL Elkhart, IN Trenton, GA Masury, OH Casa Grande, AZ	***
California Steel	***	City of Industry, CA	***
EXL Tube	***	North Kansas City, MO	***
Hanna	***	Tuscaloosa, AL Pekin, IL	***
Hannibal	***	Los Angeles, CA	***
Maruichi	***	Santa Fe Springs, CA	***
Nucor	***	Birmingham, AL Chicago, IL Marseilles, IL	***
Prolamsa	***	Laredo, Texas	***
Searing	***	Rancho Cucamonga, CA Cheyenne, WY	***
Vest	***	Vernon, CA	***
All firms			***

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

As indicated in table I-9, four U.S. producers are related to foreign producers of the subject merchandise and two are related to U.S. importers of the subject merchandise. In addition, as discussed in greater detail in Part III, two U.S. producers directly import the subject merchandise.

Table I-9
LWR pipe and tube: U.S. producers' ownership, related and/or affiliated firms

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
Related importers/exporters:		
***	***	***
***	***	***
Related producers:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

U.S. importers

In the original investigations, 43 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of LWR pipe and tube, accounting for 82.5 percent of U.S. imports of LWR pipe and tube between 2005 and 2007. Of the responding U.S. importers, several firms were also domestic producers.

In the first five-year reviews, 14 firms provided the Commission with data on their U.S. imports of LWR pipe and tube. Based on official Commerce statistics, as adjusted to exclude Nexteel of Korea, the 14 responding firms accounted for 63.4 percent of all U.S. imports of LWR pipe and tube during 2008-13, including *** percent coverage of subject imports.

In the current proceedings, the Commission issued U.S. importers' questionnaires to 34 firms believed to be importers of LWR pipe and tube, as well as to all U.S. producers of LWR pipe and tube. Usable questionnaire responses were received from 13 firms, representing 56.2 percent of total U.S. imports, and 69.0 percent of total subject imports in 2019. Table I-10 lists all responding U.S. importers of LWR pipe and tube from China, Korea, Mexico, Turkey, and other sources, their locations, and their shares of U.S. imports in 2019.

Table I-10
LWR pipe and tube: U.S. importers, source(s) of imports, U.S. headquarters, and shares of imports in 2019

Firm	Headquarters	Share of imports by source (percent)						
		China	Korea	Mexico	Turkey	Subject sources	Non subject sources	All import sources
ADS	Middletown, OH	***	***	***	***	***	***	***
American Eagle	Ponte Vedra Beach, FL	***	***	***	***	***	***	***
Atlas	Harrow, ON	***	***	***	***	***	***	***
CNH	Racine, WI	***	***	***	***	***	***	***
JP Steel	Cerritos, CA	***	***	***	***	***	***	***
KJ Metals	Gardena, CA	***	***	***	***	***	***	***
Maquilacero	San Nicolas De Los Garza, NL	***	***	***	***	***	***	***
MB Metals	Bellevue, WA	***	***	***	***	***	***	***
Prolamsa	,	***	***	***	***	***	***	***
Regiomontana	Apodaca, NL	***	***	***	***	***	***	***
SEBA	Houston, TX	***	***	***	***	***	***	***
SK Networks	Cerritos, CA	***	***	***	***	***	***	***
Welded Tube	Concord, ON	***	***	***	***	***	***	***
All firms		***	***	100.0	***	100.0	100.0	100.0

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

U.S. purchasers

The Commission received seven usable questionnaire responses from firms that bought LWR pipe and tube between 2017 and 2019.[41] All responding purchasers are distributors. In general, responding U.S. purchasers were located in Midwest, Southeast, and Pacific Coast. Large purchasers of LWR Pipe and tube include *** and ***.

[41] Of the seven responding purchasers, seven purchased the domestic LWR pipe and tube, one purchased imports of the subject merchandise from Korea, two purchased imports of the subject merchandise from Mexico, and four purchased imports of LWR pipe and tube from non-subject sources.

Apparent U.S. consumption and market shares

Data concerning apparent U.S. consumption of LWR pipe and tube are shown in table I-11 and figure I-3. U.S. producers' U.S. shipments by quantity increased by *** percent between 2017 and 2018, then further increased by *** percent between 2018 and 2019. U.S. producers' share of apparent consumption by quantity increased by *** percentage points between 2017 and 2018, then increased by *** percentage points between 2018 and 2019.

Between 2017 and 2018, the quantity of imports from subject sources decreased by 8.6 percent while the quantity of imports from nonsubject sources increased by 0.6 percent during the same time period. Between 2018 and 2019, the quantity of imports from subject sources decreased by 21.1 percent while the quantity of imports from nonsubject sources decreased by 14.7 percent during the same time period. Between 2018 and 2019, imports from Turkey decreased by 89.8 percent.[42] The share of apparent consumption for U.S. imports from subject sources decreased by *** percentage points between 2017 and 2018, and then decreased by *** percentage points between 2018 and 2019. The share of apparent consumption for U.S. imports from nonsubject sources decreased by *** percentage points between 2017 and 2018, and then decreased by *** percentage points between 2018 and 2019.

Table I-11
LWR pipe and tube: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	465	274	380
Korea	17	55	20
Mexico	105,640	99,294	85,630
Turkey	14,801	10,893	1,114
Subject sources	120,923	110,515	87,144
Nonsubject sources	127,606	128,420	109,496
All import sources	248,529	238,935	196,640
Apparent consumption	***	***	***

Table continued on next page.

[42] *** American Eagle's importer questionnaire response, section II-10. SEBA's importer questionnaire response, section II-10.

Table I-11--Continued
LWR pipe and tube: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2017-19

Item	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	803	520	738
Korea	18	83	21
Mexico	83,698	105,480	75,116
Turkey	9,400	9,499	1,095
Subject sources	93,920	115,581	76,970
Nonsubject sources	115,322	141,843	108,998
All import sources	209,242	257,424	185,968
Apparent consumption	***	***	***
	Share of quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	***	***	***
Korea	***	***	***
Mexico	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Share of value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
China	***	***	***
Korea	***	***	***
Mexico	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

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

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020.

Figure I-3
LWR pipe and tube: Apparent U.S. consumption, 2017-19

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

LWR pipe and tube is used in a wide range of applications including shelving, racks, fences, gates, hand rails, trailers, metal building components, automotive equipment, furniture, and sports equipment.[1] U.S. producers' market share has increased from just under two-thirds of the U.S. market during the original investigation to more than three-quarters market share during the first review. U.S. producers' market share decreased slightly to just under three-quarters of the U.S. market during the second review. All subject countries' market share decreased from the final to the second review. Total U.S. production capacity remained fairly constant, although U.S. producers reported opening one new production facility and re-opening one facility that was temporarily closed during the period.

The majority of U.S. producers and importers reported that the end use for LWR pipe and tube has not changed since 2014. Over the period of review, U.S. producers' and importers reported mix responses for the demand for LWR pipe and tube. LWR pipe and tube continued to be sold mainly through distributors.

Apparent U.S. consumption of LWR pipe and tube decreased in terms of quantity but increased in terms of value during January 2017 to December 2019. Overall, apparent U.S. consumption in terms of quantity in 2019 was *** percent lower than in 2017, while apparent U.S. consumption in terms of value increased *** percent during the same period.

Impact of section 232 tariffs on steel

In April 2017, the U.S. Department of Commerce announced a section 232 investigation on imports of steel, and in March 2018, the President announced additional import duties for steel mill articles. Steel is used in the production of LWR pipe and tube. The Commission asked U.S. producers, importers, and purchasers about the effects of 232 duties on the U.S. demand and prices of LWR pipe and tube.

The majority of responding U.S. producers (11 of 12), responding importers (11 of 13), and all responding purchasers (7 of 7) reported that section 232 tariffs had impacted the LWR pipe and tube market in the United States. The majority of responding U.S. producers (6 of 11), responding importers (7 of 10), and purchasers (4 of 7) reported that section 232 tariffs had

[1] Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Publication 4470, (June 2013), p. II-1.

increased the supply of U.S.-produced LWR pipe and tube. One U.S. producer, ***, reported that several new mills in the United States increased production of LWR pipe and tube as a result of section 232 tariffs, while imports from other countries were limited. One U.S. producer, ***, reported that the imposition of section 232 tariffs led U.S. producers of LWR pipe and tube to invest in more equipment to increase LWR pipe and tube production. U.S. producer *** reported that while price increases initially caused by the section 232 tariffs encouraged U.S. production, the country specific exemptions have reduced these price increases and limited U.S. production increases. One importer, ***, reported that the demand for LWR pipe and tube remained constant and as the volume of imported LWR pipe fell with the imposition of section 232 tariffs, requiring more domestically produced LWR pipe and tube to fulfill demand. Two importers, *** and ***, reported that U.S. producers made investments to expand their production capacity of LWR pipe and tube as a result of section 232 tariffs. Two purchasers *** and *** reported that domestic producers upgraded facilities or increased their production capacity as a result of the section 232 tariffs.

The majority of responding U.S. producers (9 of 12) reported that the imposition of section 232 tariffs caused the supply of imported LWR pipe and tube to decrease or fluctuate. U.S. producer, ***, reported that the exemption for Mexican steel milled products had increased the volume of imported LWR pipe and tube from Mexico. The majority of responding importers (6 of 8) reported that the supply of imported LWR pipe and tube had decreased as a result of the section 232 tariffs. All responding purchasers (6 of 6) reported that section 232 tariffs had decreased the supply of imported LWR pipe and tube.

A plurality of responding U.S. producers (5 of 12) reported that the price of LWR pipe and tube had fluctuated since the imposition of section 232 tariffs. U.S. producers *** each reported that the price for LWR pipe and tube initially increased after the imposition of section 232 tariffs but then decreased in 2019. The majority of importers (7 of 10) reported that the price of LWR pipe and tube had increased. One importer (***) reported that although the section 232 tariffs had caused prices to increase initially, the prices are lower now than before the imposition of the section 232 tariffs. The majority of purchasers (6 of 7) reported that the price of LWR pipe and tube had increased since the imposition of section 232 tariffs. Two purchasers, *** and ***, reported that the increase was temporary and the current price of LWR pipe and tube is similar to the price prior to the implementation of the section 232 tariffs. One U.S. purchaser, ***, reported that the section 232 tariffs put the price of imported LWR pipe and tube on the “high end of the price spectrum.”

The responses on the impact of the section 232 tariffs on the demand for LWR pipe and tube in the market were mixed. The majority of responding U.S. producers (7 of 11) reported that the overall demand for LWR pipe and tube had increased or remained constant since the imposition of section 232 tariffs, while importers and purchasers generally reported that the demand for LWR pipe and tube was based on general economic trends, and the section 232 tariffs did not have a large impact. One U.S. producer, ***, reported that demand remained high in the face of fluctuating prices and one U.S. producer, ***, reported that U.S. demand for LWR pipe and tube remained constant but the section 232 tariffs resulted in domestic LWR pipe and tube being used instead of imported LWR pipe and tube.

Impact of section 301 tariffs on steel

In June 2018, USTR announced a section 301 investigation in response to Chinese trade practices, and effective September 2018, various steel products were subject to an additional 10 percent duty. (See Part I)

The majority of U.S. producers (9 of 13), importers (11 of 12), and purchasers (6 of 7) reported that the section 301 tariffs either had no impact on the LWR pipe and tube or they did not know if the section 301 tariff had an impact on the market for LWR pipe and tube. A plurality of responding U.S. producers (3 of 7) reported that section 301 tariffs had increased the supply of U.S.-produced LWR pipe and tube in the U.S. market and decreased the supply of Chinese-produced LWR pipe and tube. A plurality of U.S. producers (5 of 7) reported that imported LWR pipe and tube from sources other than China had fluctuated or remained constant. Approximately half of responding U.S. producers reported that the overall demand and price for LWR pipe and tube had fluctuated due to the section 301 tariffs. The majority of U.S. producers reported that the raw material costs for LWR pipe and tube had increased as a result of section 301 tariffs. One U.S. Producer, ***, reported that prices of LWR pipe and tube fluctuated with the cost of steel (the principal raw material).

Channels of distribution

U.S. producers and importers sold mainly to distributors, as shown in table II-1. Changes to the pattern of distribution of LWR pipe and tube imported from Mexico were caused by ***, the sole importer from Mexico which sold to ***, decreasing their volume of Mexican imports by approximately half throughout the period; while ***, the sole importer from Mexico which sold to ***, decreased their volume of Mexican imports by less than a quarter of their original imports during the same period. Changes to the pattern of distribution of LWR pipe and tube imported from Turkey

were caused by ***, the sole importer from Turkey which sold to ***, increasing their volume of Turkish imports from 2017 to 2018 and then halting all imports from Turkey in 2019; while ***, the sole importer from Turkey which sold to ***, reduced their volume of Turkish imports by over 98 percent.

Table II-1
LWR pipe and tube: U.S. producers' and importers' share of reported U.S. shipments, by sources and channels of distribution, 2017-19

* * * * * * *

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

Geographic distribution

U.S. producers reported selling LWR pipe and tube to all regions of the United States (table II-2). Importers from Turkey reported selling to all regions in the contiguous United States, while importers from Mexico reported selling to the Midwest, Southeast, Central Southwest, and Pacific Coast. For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-2
LWR pipe and tube: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	U.S. importers (China)	U.S. importers (Korea)	U.S. importers (Mexico)	U.S. importers (Turkey)	Subject U.S. importers (total)
Northeast	7	---	---	---	***	***
Midwest	9	---	---	***	***	***
Southeast	10	---	---	***	***	***
Central Southwest	9	---	---	***	***	***
Mountains	11	---	---	---	***	***
Pacific Coast	12	---	---	***	***	***
Other[1]	6	---	---	---	---	---
All regions (except Other)	6	---	---	---	***	***
Reporting firms	13	---	---	***	***	***

Note: Other is all other U.S. markets, including AK, HI, PR, and VI.
Source: Compiled from data submitted in response to Commission questionnaires.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding LWR pipe and tube from U.S. producers and from subject countries. The Commission received questionnaire responses from producers in the United States and Mexico, but none from producers in China, Korea, and Turkey. Therefore, staff is unable to assess the supply factors that affect Chinese, Korean, and Turkish producers' ability to supply the U.S. market.[2]

[2] For a discussion of the foreign industry in these countries, see part IV of this report.

The United States and Mexico have similar capacities to produce LWR pipe and tube, and similar capacity utilization rates.

Table II-3
LWR pipe and tube: Supply factors that affect the ability to increase shipments to the U.S. market

Item	Capacity (1,000 short tons)		Capacity utilization (percent)		Inventories as a ratio to total shipments (percent)		Home market shipments in 2019 (percent)	Shipments other than exports to the United States 2019 (percent)	Ability to shift to alternate product (number of firms reporting yes)
	2017	2019	2017	2019	2017	2019			
United States	***	***	***	***	***	***	***	***	10 of 13
China	---	---	---	---	---	---	---	---	0 of 0
Korea	---	---	---	---	---	---	---	---	0 of 0
Mexico	***	***	***	***	***	***	***	***	5 of 6
Turkey	---	---	---	---	---	---	---	---	0 of 0

Note: Responding U.S. producers accounted for more than 75 percent of U.S. production of LWR pipe and tube in 2019. Responding foreign producer/exporter firms accounted for less than half of U.S. imports of LWR pipe and tube from Mexico during 2019. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

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

Domestic production

Based on available information, U.S. producers of LWR pipe and tube have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced LWR pipe and tube to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, low-to-moderate inventories, and the ability to shift production away from producing other products to LWR pipe and tube. The main limiting factor to this degree of responsiveness is that U.S. producers lack substantial ability to divert shipments from other markets.

Domestic capacity to produce LWR pipe and tube and capacity utilization increased slightly from 2017 to 2019. However, capacity utilization remained *** throughout the period. The majority of U.S. producers (10 of 13) reported that they could switch production from other products to LWR pipe and tube.[3] U.S. producers reportedly can produce several other types of products on the same equipment as LWR pipe and tube, including heavy walled rectangular pipe and tube ("HWR pipe and tube"), cold-water pipe ("CWP"), hollow structural section pipe

[3] Factors that affect U.S. producers' ability to shift production to or from other products are presented in appendix F.

and tube, copper water tube ("CWT"), mechanical tube, and pipe piling. U.S. producers reported that factors affecting their ability to shift production from alternate products were adjusting, reconfiguring, and retooling machinery, the labor cost of adjusting machinery, and the loss of production during the time machines were reconfigured and retooled. *** reported that the change-over requires 8-12 hours of lost production and $5,000-$10,000 in labor costs. *** reported that the markets for LWR pipe and tube and HWR pipe and tube are two independent markets and it is unable to switch between products without considering the conditions of both markets.

Subject imports from China

No foreign producers from China responded to the Commission's questionnaire with usable production, capacity, or trade data.

Subject imports from Korea

No foreign producers from Korea responded to the Commission's questionnaire with usable production, capacity, or trade data.

Subject imports from Mexico

Based on available information, producers of LWR pipe and tube from Mexico have the ability to respond to changes in demand with large changes in the quantity of shipments of LWR pipe and tube to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, low inventories, the ability to shift production away from producing other products to LWR pipe and tube, and the ability to divert shipments away from their home market to the United States.

Mexican producers increased their production capacity from 2017 to 2019, which led to a decrease in capacity utilization. The majority of responding Mexican producers (5 of 6) reported that they could switch production from other products to LWR pipe and tube.[4] Other products that responding foreign producers reportedly can produce on the same equipment as LWR pipe and tube are round lightweight pipe and tube, HWR pipe and tube, and octagonal lightweight tube. Factors affecting foreign producers' ability to shift production include time

[4] Factors that affect Mexican producers' ability to shift production to or from other products are presented in appendix F.

and labor costs to reconfigure and retool machines. Mexican producer *** reported a loss of material due to an increase in scrap incurred by changing product. *** reported that the average time required to reconfigure and retool production equipment and facilities was 4.6 hours and cost 90 dollars. Mexican producers reported selling the majority of their shipments of LWR pipe and tube within Mexico. However, Mexican producers could divert shipments away from their home market in response to a price increase in the United States, depending on market conditions in Mexico.

Subject imports from Turkey

No foreign producers from Turkey responded to the Commission's questionnaire with usable production, capacity, or trade data.

Imports from nonsubject sources

Nonsubject imports accounted for 55.7 percent of the total quantity of U.S. imports in 2019. The largest sources of nonsubject imports during 2019 were Canada and Vietnam. Combined, these countries accounted for 84.7 percent of nonsubject imports in 2019.

Supply constraints

The majority of U.S. producers (12 of 13), importers (12 of 13), and purchasers (6 of 7) reported no supply constraints.

New suppliers

All responding purchasers (7 of 7) indicated that no new suppliers entered the U.S. market since January 1, 2014, and none expect additional entrants.

U.S. demand

Based on available information, the overall demand for LWR pipe and tube is likely to experience small changes in response to changes in price. The main contributing factors to this degree of demand responsiveness are the lack of substitute products and the small cost share of LWR pipe and tube in most of its end-use products.

End uses and cost share

U.S. demand for LWR pipe and tube depends on the demand for U.S.-produced downstream products. Reported end uses include shelving racks, fences, gates, hand rails,

trailers, metal building components, automotive equipment, furniture, and sports equipment. The majority of responding U.S. producers (12 of 13), importers (10 of 11), and all responding purchasers (3 of 3) reported no changes in end uses. U.S. producer, ***, reported new uses of LWR pipe and tube in gas grills and furniture; and importer, ***, reported increased use of LWR pipe and tube in automotive parts.

LWR pipe and tube's share of the cost of the end-use product varies based on the end-use. LWR pipe and tube makes up a small share of the cost of a building, while making up a larger share of a shelving unit.

Business cycles

Nine of 13 U.S. producers, six of 13 importers, and all seven purchasers indicated that the market was not subject to business cycles or conditions of competition. Importer, ***, reported that demand for LWR pipe and tube was highest in the spring and fall, and lower during the rest of the year. U.S. producer, *** reported that the demand for LWR pipe and tube is linked to the annual cycle of the construction industry, where projects begin in the spring and end in the fall. U.S. producer, ***, reported that LWR pipe and tube were used in agricultural equipment and were therefore linked to agricultural cycles.

Demand trends

Firms had mixed responses regarding changes in U.S. demand for LWR pipe and tube since January 1, 2014, and to the anticipated changes in demand in the U.S. market (table II-4).

Table II-4
LWR pipe and tube: Firms' responses regarding U.S. demand, by number of responding firms

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand in the United States:				
U.S. producers	4	2	3	4
Importers	1	4	2	6
Purchasers	1	1	1	4
Foreign producers	1	1	---	4
Anticipated future demand in the United States:				
U.S. producers	4	1	2	4
Importers	---	4	4	5
Purchasers	1	1	---	4
Foreign producers	1	2	1	1
Demand for purchasers' final products:				
Purchasers	---	1	---	2

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

Substitute products

All U.S. producers, importers, and the majority of purchasers (6 of 7) reported that there were no substitutes and did not anticipate any future changes in substitutes. One purchaser, ***, reported that rolled custom sections could be substituted for LWR pipe and tube.

Substitutability issues

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

Lead times

LWR pipe and tube is primarily sold from inventory. U.S. producers reported that 43.6 percent of their commercial U.S. shipments were produced-to-order, with lead times averaging 20 days. The remaining 56.4 percent of their commercial U.S. shipments came from inventories, with lead times averaging 5 days. Importers reported that 70.1 percent of commercial U.S. shipments were produced to order with lead time averaging 15 days and 12.0 percent of commercial U.S. shipments were from U.S. inventories with lead times averaging 5 days. The remaining 17.9 percent of commercial U.S. shipments came from foreign inventories with lead times averaging 10 days.

Knowledge of country sources

Six purchasers indicated they had marketing/pricing knowledge of domestic product, one of Korean product, three of Mexican product, and two of product from nonsubject countries. Purchasers reported that the nonsubject countries that they had knowledge of were Canada and Vietnam (1 firm each).

As shown in table II-5, the majority of purchasers and their customers sometimes make purchasing decisions based on the producer or country of origin. The one purchaser, ***, which reported that it always makes decisions based on the manufacturer reported that it always wanted to know the producing mill prior to making a purchase.

Table II-5
LWR pipe and tube: Purchasing decisions based on producer and country of origin, by number of reporting firms

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	1	2	4	---
Purchaser's customers make decision based on producer	---	---	7	---
Purchaser makes decision based on country	1	2	3	1
Purchaser's customers make decision based on country	---	---	6	1

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for LWR pipe and tube were quality (6 firms), price (5 firms), and availability/supply (4 firms) as shown in table II-6. Price and quality were the most frequently cited first-most important factors (cited by 2 firms each), followed by availability (1 firm); quality was the most frequently reported second-most important factor (4 firms); and price was the most frequently reported third-most important factor (2 firms).

Table II-6
LWR pipe and tube: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First	Second	Third	Total
Quality	2	4	0	6
Price	2	1	2	5
Availability/Supply	1	2	1	4
Other	2	0	4	6

Note: Other factors include punctual delivery, product range, product depth, contracts, and the producer's preferred status with reliance steel and aluminum.

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

The majority of purchasers (4 of 7) reported that they only sometimes purchase the lowest-priced product. The remaining three purchasers reported that they usually purchase the lowest-priced product.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-7). The factors rated as very important by more than half of responding purchasers were availability, quality exceeds industry standards, and reliability of supply (7 firms each); delivery time, price, and product consistency (6 firms each); packaging (5 firms); and product range and U.S. transportation costs (4 firms each).

Table II-7
LWR pipe and tube: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms

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

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

Supplier certification

All responding purchasers require their suppliers to become certified or qualified to sell LWR pipe and tube to their firm. Purchasers reported that the time to qualify a new supplier ranged from 30 to 90 days. None of the responding purchasers reported that domestic or foreign suppliers had failed in their attempt to qualify product or had lost their approved status since January 1, 2014.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2014 (table II-8). Changes to purchasers' purchase patterns from U.S. producers were mixed. Reported reasons for increased purchases from the U.S. producers included business growth and more competitive domestic prices. Reported reasons for decreased purchases from the U.S. producers include decreased commercial shipments. No purchasers reported increased shipments from subject countries. Reported reasons for changes in purchasing patterns from subject import sources include decreased availability and decreased price competitiveness with domestically produced LWR pipe and tube. A number of purchasers reported increased purchases from nonsubject sources. Reported reasons for this increase included the trial of new material and business growth.

Table II-8
LWR pipe and tube: Changes in purchase patterns from the United States, subject, and nonsubject countries

Factor	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	---	1	2	3	1
China	6	---	---	---	---
Korea	5	1	---	---	---
Mexico	5	---	---	1	1
Turkey	5	---	---	---	1
All other countries	3	1	2	---	---
Sources unknown	2	1	---	1	---

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

Importance of purchasing domestic product

All responding purchasers reported that most or all of their purchases did not require purchasing U.S.-produced product. Four responding purchasers reported that domestic product was required by law (for less than 25 percent of their purchases), two reported it was required by their customers (for between 25 and 50 percent of their purchases), and no purchasers reported preferences for domestic product for other reasons.

Comparisons of domestic product, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing LWR pipe and tube produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors, for which they were asked to rate the importance (table II-9). The majority of purchasers rated U.S.-produced LWR pipe and tube as superior or comparable to Chinese, Korean, Mexican, Turkish, and nonsubject LWR pipe and tube with respect to all factors except price and discounts offered. Purchasers reported that U.S.-produced LWR pipe and tube was inferior to Chinese, Korean, Mexican, Turkish, and nonsubject LWR pipe and tube with respect to price. Purchasers also reported that U.S.-produced LWR pipe and tube was comparable or inferior to LWR pipe and tube from Korea, Mexico, and Turkey with respect to discounts offered.

Table II-9
LWR pipe and tube: Purchasers' comparisons between U.S.-produced and imported product

Factor	U.S. vs. China			U.S. vs. Korea			U.S. vs. Mexico		
	S	C	I	S	C	I	S	C	I
Availability	1	---	---	1	1	---	3	1	---
Delivery terms	1	---	---	1	1	---	3	1	---
Delivery time	1	---	---	1	1	---	3	1	---
Discounts offered	---	1	---	---	1	1	---	2	2
Extension of credit	---	1	---	---	2	---	---	4	---
Minimum quantity requirements	---	1	---	---	2	---	---	4	---
Packaging	---	1	---	---	2	---	---	4	---
Price[1]	---	---	1	---	---	2	---	---	4
Product consistency	1	---	---	1	1	---	2	2	---
Product range	---	1	---	---	2	---	1	3	---
Quality exceeds industry standards	1	---	---	---	2	---	---	4	---
Quality meets industry standards	1	---	---	1	1	---	1	3	---
Reliability of supply	1	---	---	2	---	---	3	1	---
Technical support/service	1	---	---	1	1	---	3	1	---
U.S. transportation costs[1]	---	1	---	1	1	---	3	1	---

Factor	U.S. vs. Turkey			U.S. vs. nonsubject			Subject vs. nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	1	1	---	1	1	---	---	2	---
Delivery terms	1	1	---	1	1	---	---	2	---
Delivery time	2	---	---	2	---	---	---	2	---
Discounts offered	---	1	1	---	2	---	---	2	---
Extension of credit	---	2	---	---	2	---	---	2	---
Minimum quantity requirements	---	2	---	---	2	---	---	2	---
Packaging	---	2	---	---	2	---	---	2	---
Price	---	---	2	---	---	2	---	2	---
Product consistency	---	2	---	1	1	---	---	2	---
Product range	---	2	---	---	2	---	---	2	---
Quality exceeds industry standards	1	1	---	---	2	---	---	2	---
Quality meets industry standards	1	1	---	1	1	---	---	2	---
Reliability of supply	1	1	---	1	1	---	---	2	---
Technical support/service	2	---	---	2	---	---	---	2	---
U.S. transportation costs	2	---	---	2	---	---	---	2	---

Note: A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.
Note: S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Comparison of U.S.-produced and imported LWR pipe and tube

In order to determine whether U.S.-produced LWR pipe and tube can generally be used in the same applications as imports from China, Korea, Mexico, Turkey, and nonsubject countries, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-10, U.S.

producers reported that LWR pipe and tube from the United States, subject countries and nonsubject countries are always or frequently interchangeable. The majority of importers reported that LWR pipe and tube from the United States, subject countries and nonsubject countries are always or frequently interchangeable. Purchasers reported that LWR pipe and tube from the United States was always or frequently interchangeable with LWR pipe and tube from Korea, Mexico, and Turkey; while purchasers reported that U.S. and Chinese LWR pipe and tube were frequently or sometimes interchangeable. The majority of purchasers reported that LWR pipe and tube from subject countries was frequently or sometimes interchangeable. Purchasers reported that LWR pipe and tube from nonsubject countries was always or frequently interchangeable with LWR pipe and tube from the United States and subject countries.

Table II-10
LWR pipe and tube: Interchangeability between LWR pipe and tube produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries: U.S. vs. China	8	2	---	---	3	2	---	2	---	1	1	---
United States vs. Korea	9	2	---	---	4	2	---	---	1	1	---	---
United States vs. Mexico	9	2	---	---	3	2	---	---	1	3	---	---
United States vs. Turkey	9	2	---	---	2	2	1	---	1	2	---	---
Subject countries comparisons: China vs. Korea	8	---	---	---	3	1	---	1	---	1	1	---
China vs. Mexico	8	---	---	---	3	1	---	1	---	1	1	---
China vs. Turkey	8	---	---	---	2	1	1	1	---	1	1	---
Korea vs. Mexico	9	---	---	---	3	2	---	---	---	2	---	---
Korea vs. Turkey	8	---	---	---	2	2	1	---	---	2	---	---
Mexico vs. Turkey	9	---	---	---	2	2	1	---	1	2	---	---
Nonsubject countries comparisons: U.S. vs. Other	6	3	---	---	3	2	2	---	2	1	---	---
China vs. Other	6	1	---	---	2	1	1	1	---	1	---	---
Korea vs. Other	6	1	---	---	2	2	2	---	---	1	---	---
Mexico vs. Other	6	1	---	---	2	2	1	---	1	1	---	---
Turkey vs. Other	6	1	---	---	2	2	1	---	1	1	---	---

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

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

As can be seen from table II-11, the majority of responding purchasers reported that domestically produced product always met minimum quality specifications. The majority of

responding purchasers reported that the LWR pipe and tube from Korea, Mexico, Turkey, and nonsubject countries always met minimum quality specifications.

Table II-11
LWR pipe and tube: Purchasers' responses regarding firms' ability to meet minimum quality specifications, by source

Source	Always	Usually	Sometimes	Rarely or never
United States	5	1	---	1
China	---	---	---	---
Korea	1	---	---	---
Mexico	2	1	---	---
Turkey	1	---	---	---
Other	1	1	---	1

Note: Purchasers were asked how often domestically produced or imported LWR pipe and tube meets minimum quality specifications for their own or their customers' uses.

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

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of LWR pipe and tube from the United States, subject, or nonsubject countries. As seen in table II-12, the majority of U.S. producers reported that there are never any significant differences other than price between U.S., subject, and nonsubject LWR pipe and tube. The majority of importers reported that differences other than price between U.S. and subject LWR pipe and tube was never significant. The majority of importers reported that differences other than price between LWR pipe and tube from the different subject countries and from non-subject countries was never significant. The majority or a plurality of purchasers reported that differences between LWR pipe and tube from the United States, subject, and nonsubject countries are sometimes significant, with one exception; purchasers' responses regarding the significance of differences other than price between LWR pipe and tube produced in the United States and China were mixed.

Table II-12
LWR pipe and tube: Significance of differences other than price between LWR pipe and tube produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. China	---	1	1	7	1	---	2	4	1	1	1	---
U.S. vs. Korea	1	1	1	7	---	1	1	4	---	1	2	---
U.S. vs. Mexico	1	1	1	7	---	1	1	4	---	1	4	---
U.S. vs. Turkey	---	2	1	7	---	1	1	3	---	1	3	---
Subject countries comparisons:												
China vs. Korea	---	---	---	7	1	---	---	4	---	---	2	---
China vs. Mexico	---	1	---	7	1	---	---	4	---	---	2	---
China vs. Turkey	---	---	---	7	1	---	---	4	---	---	2	---
Korea vs. Mexico	---	1	---	7	---	2	---	3	---	---	2	---
Korea vs. Turkey	---	---	---	7	---	1	1	3	---	---	2	---
Mexico vs. Turkey	---	---	---	7	---	1	1	3	---	---	3	---
U.S. vs. nonsubject countries												
U.S. vs. Other	---	---	2	6	1	1	2	3	1	1	2	---
Subject vs. nonsubject countries												
China vs. Other	---	---	---	6	---	---	---	4	---	---	1	---
Korea vs. Other	---	---	---	6	---	1	1	3	---	---	1	---
Mexico vs. Other	---	---	---	6	---	1	---	3	---	---	2	---
Turkey vs. Other	---	---	---	6	---	1	1	3	---	---	2	---

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

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

Elasticity estimates

This section discusses elasticity estimates. No parties commented on these estimates in their briefs.

U.S. supply elasticity

The domestic supply elasticity for LWR pipe and tube measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of LWR pipe and tube. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced LWR pipe and tube. Analysis of these factors above indicates that the U.S. industry is likely to be able to greatly increase or decrease shipments to the U.S. market; an estimate in the range of 5 to 10 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for LWR pipe and tube measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of LWR pipe and tube. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the LWR pipe and tube in the production of any downstream products. Based on the available information, the aggregate demand for LWR pipe and tube is likely to be inelastic; a range of -0.75 to -1.0 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[5] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/ discounts/ promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced LWR pipe and tube and imported LWR pipe and tube is likely to be in the range of 4 to 7.

[5] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: Condition of the U.S. industry

Overview

The information in this section of the report was compiled from responses to the Commission's questionnaires. Thirteen firms, which accounted for the vast majority of U.S. production of LWR pipe and tube during 2019, supplied information on their operations in these reviews.

Table III-1 summarizes important industry events since 2014. These events include multiple acquisitions including U.S. producer Maruichi's acquisition of U.S. producer Evraz Oregon Steel, Nucor's acquisition of both Independence Tube and Southland Tube, Zekelman's acquisition of Western Tube and American Tube, and Tenaris' acquisition of IPSCO Tubulars.

Table III-1
LWR pipe and tube: Industry developments since January 1, 2014

Year	Firm	Recent events
April 2014	TMK IPSCO	TMK IPSCO announces a 30 percent reduction in the number of operating hours it uses to produce welded pipe at its facilities in Blytheville, AR; Camanche, Iowa; and Wilder, Kentucky.
June 2014	TMK IPSCO	TMK IPSCO announces an agreement with union members at its Koppel and Ambridge, Pennsylvania facilities. The agreement was anticipated to remain in effect through November 1, 2018.
March 2015	Maruichi Oregon Steel Tube LLC	Maruichi Oregon Steel Tube LLC, (a subsidiary of Maruichi Steel Tube Ltd. (Osaka, Japan)), acquired the structural tube division (formerly known as Columbia Structural Steel) of EVRAZ Oregon Steel. The acquisition potentially enabled Maruichi to improve service to its customers in the Pacific Northwest region of the United States and western Canada. Maruichi Steel Tube Ltd. had two other pipe and tube mills in the United States: Maruichi American Corp. in Los Angeles, California. and Maruichi Leavitt Pipe & Tube (formerly Leavitt Tube Corp.) in Chicago, Illinois.
June 2015	Wheatland Tube	Wheatland Tube Co. announces that it will indefinitely idle its Sharon, Pennsylvania hot-mill operations and lay off 100 workers.
June 2015	Wheatland Tube	Wheatland Tube, (a subsidiary of Zekelman Industries Inc.) invested $35 million to modernize and improve production efficiency at its manufacturing facility in Wheatland, Pennsylvania.
August 2015	Allied Tube and Conduit Corp.	Allied Tube and Conduit Corp. (subsidiary of Atkore International Group Inc.) closed its production facility in Philadelphia, Pennsylvania, and stopped producing steel fence framework and sprinkler pipe products at its facilities in Harvey, Illinois and Phoenix, Arizona. The closures resulted in the laying-off of about 317 employees.
June 2016	JMC Steel Group	JMC Steel Group (Chicago, Illinois) changed its name to Zekelman Industries Inc.

Table continued on next page.

Table III-1—Continued.
LWR pipe and tube: Industry developments since January 1, 2014

Year	Firm	Recent events
November 2016	Nucor	Nucor Corp. (Charlotte, NC) finalized its acquisition of Independence Tube Corp. for $435 million. Independent Tube makes hollow structural section ("HSS") steel tubing for structural and mechanical applications at its production facilities in Illinois and Alabama.
January 2017	Nucor	Nucor Corp. finalized its acquisition of Southland Tube (Birmingham, Alabama) for $130 million. Southland Tube produces HSS steel tubing for structural and mechanical applications.
February 2017	Zekelman	Zekelman finalized its acquisition of Western Tube and Conduit Corp. (Long Beach, California). This acquisition expanded Zekelman's presence in the electrical, fence, and mechanical tube markets in the western half of both the United States and Canada.
February 2017	Zekelman	Zekelman acquired American Tube Manufacturing Inc. (Birmingham, Alabama). American Tube is a leading producer of round, square, and rectangle shaped HSS tubing products in the southeastern region of the United States.
January 2020	Tenaris	Tenaris acquired IPSCO Tubulars from TMK. The acquisition includes TMK facilities in Koppel, PA and Ambridge, PA.
March 2020	Tenaris/TMK IPSCO	TMK IPSCO Tubulars, which was acquired by Tenaris, laid off hundreds of workers at its Koppel, PA and Ambridge, PA facilities.

Source: Light-Walled Rectangular Pipe and Tube from Taiwan, Inv. No. 731-TA-410 (Fourth Review), USITC Publication 4707, July 2017, pp. I-3 through I-4; The Herald, http://www.sharonherald.com/news/furloughed-at-wheatland-tube/article_402e35f4-d70b-50f3-9053-36fbbaa285c3.html (accessed March 11, 2020); Informed Infrastructure, https://informedinfrastructure.com/28134/nucor-completes-acquisition-of-independence-tube-corporation/ (accessed June 3, 2020); PR Newswire, https://www.prnewswire.com/news-releases/nucor-reports-results-for-fourth-quarter-and-year-ended-2016-300399432.html (accessed June 3, 2020); Tenaris, https://ir.tenaris.com/news-releases/news-release-details/tenaris-completes-acquisition-ipsco-tubulars-tmk (accessed April 14, 2020); Post-Gazette, https://www.post-gazette.com/business/powersource/2020/03/20/IPSCO-Tubulars-beaver-county-layoffs-Ambridge-Koppel-oil-and-gas-industry/stories/202003200095 (accessed April 14,2020); Businesswire, https://www.businesswire.com/news/home/20140407005152/en/TMK-IPSCO-Reduce-Operating-Hours-Welded-Pipe (accessed March 10 , 2020); Businesswire, https://www.businesswire.com/news/home/20140623006093/en/TMK-IPSCO's-Koppel-Ambridge-Pennsylvania-Plants-Ratify (accessed March 10 , 2020).

Changes experienced by the industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of LWR pipe and tube since 2014. Nine of the thirteen domestic producers (which provided responses in these reviews) indicated that they had experienced such changes; their responses are presented in table III-2.

Table III-2
LWR pipe and tube: Changes in the character of U.S. operations since January 1, 2014

Item / Firm	Reported changed in operations
Plant openings:	
***	***
***	***
Plant closings:	
***	***
Expansions:	
***	***
***	***
***	***
Acquisitions:	
***	***
***	***
***	***
***	***
***	***
Prolonged shutdowns or curtailments:	
***	***
Revised labor agreements:	
***	***
***	***
Other:	
***	***
***	***

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

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of LWR pipe and tube. Only one domestic producer identified an anticipated change. Their response appears in table III-3.

Table III-3
LWR pipe and tube: Anticipated changes in the character of U.S. operations

Item / Firm	Anticipated change in operations
***	***

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

U.S. production, capacity, and capacity utilization

Table III-4 presents U.S. producers' production, capacity, and capacity utilization. For most reporting U.S. producers, capacity remained unchanged between 2017 and 2019, while ACI, which ***, reported a *** percent increase in capacity (*** short tons), Bull Moose reporting a *** percent decrease in capacity (*** short tons), and Nucor reporting an *** percent increase in capacity (*** short tons) during the same time period.

U.S. producers' combined production increased by *** percent between 2017 and 2018, and then further increased by *** percent between 2018 and 2019. While production fluctuated during 2017-19 at all firms, eight firms increased production over this period, while production declined at five firms. The largest changes in production were reported by ***. Between 2017 and 2019, *** and *** reported a *** and *** percent increase in production respectively while *** reported a *** percent decrease in production.

Average capacity utilization increased by *** percentage points between 2017 and 2019.

Table III-4
LWR pipe and tube: U.S. producers' production, capacity, and capacity utilization, 2017-19

Item	Calendar year		
	2017	2018	2019
	Capacity (short tons)		
ACI	***	***	***
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
EXL Tube	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
Vest	***	***	***
Total capacity	***	***	***
	Production (short tons)		
ACI	***	***	***
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
EXL Tube	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
Vest	***	***	***
Total production	***	***	***

Table continued on next page.

Table III-4—Continued
LWR pipe and tube: U.S. producers' production, capacity, and capacity utilization, 2017-19

Item	Calendar year		
	2017	2018	2019
	Capacity utilization (percent)		
ACI	***	***	***
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
EXL Tube	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
Vest	***	***	***
Average capacity utilization	***	***	***
	Share of production (percent)		
ACI	***	***	***
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
EXL Tube	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
Vest	***	***	***
Total	100.0	100.0	100.0

Note.—U.S. producer *** reported production exceeded its reported capacity for calendar year 2018. Staff has adjusted *** capacity for calendar year 2018 to match its reported production during the same time period.

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

Figure III-1
LWR pipe and tube: U.S. producers' production, capacity, and capacity utilization, 2017-19

* * * * * * *

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

Alternative products

Table III-5 presents U.S. producers' overall capacity on equipment used to produce LWR pipe and tube. U.S. producers reported that a majority of their production consisted of out-of-scope products, including hollow structural sections ("HSS"), heavy-walled rectangular ("HWR") pipe and tube, and circular welded pipe ("CWP"). One firm (***) reported that they do not produce products other than LWR pipe and tube on the same equipment or using the same employees.

Table III-5
LWR pipe and tube: U.S. producers' overall capacity and production on the same machinery, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Overall capacity	***	***	***
Production:			
LWR pipe and tube	***	***	***
Total out-of-scope merchandise	***	***	***
Total production	***	***	***
	Ratios and shares (percent)		
Capacity utilization	***	***	***
Production:			
LWR pipe and tube	***	***	***
Total out-of-scope merchandise	***	***	***
Total production	100.0	100.0	100.0

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

Constraints on capacity

Eleven of the thirteen responding U.S. producers reported constraints in the manufacturing process, with most reporting workforce limitations, production mix, and demand as production constraints. Table III-6 presents constraints reported by each producer.

Table III-6
LWR pipe and tube: U.S. producers' reported production constraints

Item / Firm	Reported production constraints
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

U.S. producers' U.S. shipments and exports

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. Between 2017 and 2018, U.S. shipments by quantity increased by *** percent while export shipments by quantity decreased by *** percent.[1] Between 2018 and 2019, U.S. shipments by quantity increased by *** percent, while export shipments by quantity decreased by *** percent. During 2017-19, no firms reported internal consumption, and two firms reported transfers to related firms (accounting for less than 0.3 percent of total U.S. shipments in any one year).

Unit values for U.S. shipments increased by *** percent between 2017 and 2018, and then decreased by *** percent between 2018 and 2019. Unit values for export shipments, which were consistently lower than those for U.S. shipments, increased by *** percent between 2017 and 2018, and then decreased by *** percent between 2018 and 2019.

[1] During 2017-2019, two firms, *** and *** reported export shipments, with *** and *** as their principal export markets.

Table III-7
LWR pipe and tube: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2017-2019

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Unit value (dollars per short ton)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Share of quantity (percent)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	100.0	100.0	100.0
	Share of value (percent)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	100.0	100.0	100.0

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

U.S. producers' U.S. shipments by type

Table III-8 presents U.S. producers' U.S. shipments by type. The share of processed shipments ranged between *** and *** percent of total U.S. shipments during 2017-19. The 13 responding firms reported that post mill length activities included cutting to length, epoxy coated tube, and galvanized tube.

Table III-8
LWR pipe and tube: U.S. producers' U.S. shipments by type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. shipments: U.S. producers			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Share of quantity (percent)		
U.S. shipments: U.S. producers			
Processed	***	***	***
Unprocessed	***	***	***
All product types	100.0	100.0	100.0

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

U.S. producers' inventories

Table III-9 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. U.S. producers' inventories increased by *** percent between 2017 and 2018, and then increased by *** percent between 2018 and 2019.

Table III-9
LWR pipe and tube: U.S. producers' inventories, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. producers' end-of-period inventories	***	***	***
	Ratio (percent)		
Ratio of inventories to.--			
U.S. production	***	***	***
U.S. shipments	***	***	***
Total shipments	***	***	***

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

U.S. producers' imports and purchases

Table III-10 presents data on individual U.S. producers' U.S. production and U.S imports of LWR pipe and tube from subject sources. ***, reported importing LWR pipe and tube between 2017 and 2019. During 2017-19, both *** and *** imported from *** Canada and Mexico respectively. The ratio of *** imports to U.S. production decreased by *** percentage points between 2017 and 2019, the equivalent of *** percent of the firm's production. The ratio of *** imports to U.S. production *** between 2017 and 2019, the equivalent of *** percent of the firm's production.

Table III-10
LWR pipe and tube: U.S. producers' U.S. production, imports, and import ratios to U.S. production, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
*** U.S. production	***	***	***
*** U.S. imports from nonsubject sources (Canada)	***	***	***
	Ratio (percent)		
*** U.S. imports from nonsubject sources (Canada)	***	***	***
	Quantity (short tons)		
*** U.S. production	***	***	***
*** U.S. imports from subject sources (Mexico)	***	***	***
	Ratio (percent)		
*** U.S. imports from subject sources (Mexico)	***	***	***

Note.—U.S. importer *** provided no trade data in its U.S. Importers' questionnaire response. Staff has adjusted *** U.S. imports to match its reported exports to the United States during the same time period.

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

U.S. employment, wages, and productivity

Table III-11 shows U.S. producers' employment-related data. Between 2017 and 2019, the total number of production and related workers increased by *** percent[2] while their total number of hours worked decreased by *** percent. Between 2017 and 2019, the total amount of wages paid increased by *** percent while hourly wages increased by *** percent.

Table III-11
LWR pipe and tube: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2017-19

Item	Calendar year		
	2017	2018	2019
Production and related workers (PRWs) (number)	***	***	***
Total hours worked (1,000 hours)	***	***	***
Hours worked per PRW (hours)	***	***	***
Wages paid ($1,000)	***	***	***
Hourly wages (dollars per hour)	***	***	***
Productivity (short tons per hour)	***	***	***
Unit labor costs (dollars per short tons)	***	***	***

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

[2] All but one firm (***) increased PRWs between 2017 and 2019, with *** accounting for the majority of the increase due to ***.

Financial experience of U.S. producers

Background

Twelve U.S. producers ***[3] provided usable financial data on their operations producing LWR pipe and tube. The responding producers are believed to represent the substantial majority of U.S. production. The twelve U.S. producers reported financial data for a fiscal year ending in 2019.[4] Ten of the responding U.S. producers provided their financial data on the basis of generally accepted accounting principles ("GAAP").[5] The firms differ considerably in size in terms of sales volume and value. The four largest producers, ***, reported 2019 sales volumes over *** short tons. In contrast, three firms, ***, reported 2019 sales volumes of less than *** short tons. Overall, net sales consisted primary of commerical sales and minor amounts of related party transfers by ***. No U.S. producer reported internal consumption. These non-commerical sales combined accounted for *** percent of total net sales value in each of the three periods examined. Non-commerical sales are included but not presented seperately in this section of the report.

Figure III-1 presents each responding firm's share of the total reported net sales quantity for 2019. *** represented the largest share of net sales quantity at *** percent, while the second, third, and fourth largest producers ***, ***, and *** represented *** percent, *** percent and *** percent, respectively. The remaining eight U.S. producers combined represented *** percent of net sales quantity of all responding U.S. producers in 2019.

[3] ACI did not provide usable financial data, and is therefore not included in this section of the report.

[4] Eleven U.S. producers reported a fiscal year end of December 31, and one U.S. producer reported a fiscal year end of the last Saturday in September.

[5] *** reported International Financial Reporting Standards (IFRS) and GAAP, and *** did not report their basis of accounting.

Figure III-2
LWR pipe and tube: Share of net sales quantity, by firm, 2019

* * * * * * *

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

Operations on LWR pipe and tube

Table III-12 presents aggregated data on U.S. producers' operations in relation to LWR pipe and tube, while table III-13 presents corresponding changes in average unit values. Table III-14 presents selected company-specific financial data.

Table III-12
LWR pipe and tube: Results of operations of U.S. producers, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Total net sales	541,146	559,248	572,015
	Value (1,000 dollars)		
Total net sales	484,473	595,470	550,862
Cost of goods sold. --			
Raw materials	340,709	421,871	415,198
Direct labor	26,056	27,710	30,185
Other factory costs	47,226	52,660	55,724
Total COGS	413,991	502,241	501,107
Gross profit	70,482	93,229	49,755
SG&A expense	50,523	46,039	43,365
Operating income or (loss)	19,959	47,190	6,390
Interest expense	3,040	3,412	3,631
All other expenses	1,993	1,940	3,329
All other income	649	1,321	1,518
Net income or (loss)	15,575	43,159	948
Depreciation/amortization	12,957	12,324	13,742
Cash flow	28,532	55,483	14,690
	Ratio to net sales (percent)		
Cost of goods sold. --			
Raw materials	70.3	70.8	75.4
Direct labor	5.4	4.7	5.5
Other factory costs	9.7	8.8	10.1
Total COGS	85.5	84.3	91.0
Gross profit	14.5	15.7	9.0
SG&A expense	10.4	7.7	7.9
Operating income or (loss)	4.1	7.9	1.2
Net income or (loss)	3.2	7.2	0.2
	Ratio to COGS (percent)		
Cost of goods sold. --			
Raw materials	82.3	84.0	82.9
Direct labor	6.3	5.5	6.0
Other factory costs	11.4	10.5	11.1
Total COGS	100.0	100.0	100.0

Table continued on next page.

Table III-12—Continued
LWR pipe and tube: Results of operations of U.S. producers, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
Total net sales	895	1,065	963
Cost of goods sold. --			
Raw materials	630	754	726
Direct labor	48	50	53
Other factory costs	87	94	97
Average COGS	765	898	876
Gross profit	130	167	87
SG&A expense	93	82	76
Operating income or (loss)	37	84	11
Net income or (loss)	29	77	2
	Number of firms reporting		
Operating losses	3	1	5
Net losses	4	1	6
Data	12	12	12

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

Table III-13
LWR pipe and tube: Changes in AUVs, between calendar years

Item	Between calendar years		
	2017-19	2017-18	2018-19
	Changes in unit values (percent)		
Total net sales	▲7.6	▲18.9	▼(9.6)
Cost of goods sold.--			
Raw materials	▲15.3	▲19.8	▼(3.8)
Direct labor	▲9.6	▲2.9	▲6.5
Other factory costs	▲11.6	▲7.9	▲3.5
Average COGS	▲14.5	▲17.4	▼(2.5)
	Changes in unit values (dollars per short ton)		
Total net sales	▲68	▲169	▼(102)
Cost of goods sold.--			
Raw materials	▲96	▲125	▼(29)
Direct labor	▲5	▲1	▲3
Other factory costs	▲10	▲7	▲3
Average COGS	▲111	▲133	▼(22)
Gross profit	▼(43)	▲36	▼(80)
SG&A expense	▼(18)	▼(11)	▼(7)
Operating income or (loss)	▼(26)	▲47	▼(73)
Net income or (loss)	▼(27)	▲48	▼(76)

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

Table III-14
LWR pipe and tube: Results of operations of U.S. producers, by company, 2017-19

Item	Calendar year		
	2017	2018	2019
	Net sales quantity (short tons)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total net sales quantity	541,146	559,248	572,015
	Net sales value (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total net sales value	484,473	595,470	550,862
	COGS (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total COGS	413,991	502,241	501,107

Table continued on next page.

Table III-14—Continued
LWR pipe and tube: Results of operations of U.S. producers, by company, 2017-19

Item	Calendar year		
	2017	2018	2019
	Gross profit or (loss) (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total gross profit or (loss)	70,482	93,229	49,755
	SG&A expenses (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total SG&A expenses	50,523	46,039	43,365
	Operating income or (loss) (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total operating income or (loss)	19,959	47,190	6,390

Table continued on next page.

Table III-14—Continued
LWR pipe and tube: Results of operations of U.S. producers, by company, 2017-19

Item	Calendar year		
	2017	2018	2019
	Net income or (loss) (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total net income or (loss)	15,575	43,159	948
	COGS to net sales value (percent)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average COGS to sales	85.5	84.3	91.0
	Gross profit or (loss) to net sales value (percent)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average gross profit or (loss) to sales	14.5	15.7	9.0

Table continued on next page.

Table III-14—Continued
LWR pipe and tube: Results of operations of U.S. producers, by company, 2017-19

Item	Calendar year		
	2017	2018	2019
	SG&A expenses to net sales value (percent)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average SG&A expenses to sales	10.4	7.7	7.9
	Operating income or (loss) to net sales value (percent)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average operating income or (loss) to sales	4.1	7.9	1.2
	Net income or (loss) to net sales value (percent)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average net income or (loss) to sales	3.2	7.2	0.2

Table continued on next page.

Table III-14—Continued
LWR pipe and tube: Results of operations of U.S. producers, by company, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit net sales value (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit net sales value	895	1,065	963
	Unit raw materials (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit raw materials	630	754	726
	Unit direct labor (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit direct labor	48	50	53

Table continued on next page.

Table III-14—Continued
LWR pipe and tube: Results of operations of U.S. producers, by company, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit other factory costs (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit other factory costs	87	94	97
	Unit COGS (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit COGS	765	898	876
	Unit gross profit or (loss) (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit gross profit or (loss)	130	167	87

Table continued on next page.

Table III-14—Continued
LWR pipe and tube: Results of operations of U.S. producers, by company, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit SG&A expense (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit SG&A expense	93	82	76
	Unit operating income or (loss) (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit operating income or (loss)	37	84	11
	Unit net income or (loss) (dollars per short ton)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average unit net income or (loss)	29	77	2

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

Net sales

The total net sales quantity of U.S. producers increased every year from 2017 to 2019 (table III-12), ***. U.S. producers *** reported the largest net sales quantity increases year over year in absolute terms from 2017 to 2019. Although net sales quantity increased throughout the period, the net sales value of U.S. producers fluctuated from 2017 to 2019. All U.S. producers had increased net sales values from 2017 to 2018 except ***. From 2018 to 2019, all U.S. producers had declining net sales values except ***. Aggregated, the U.S. LWR pipe and tube industry reported net sales quantity and value increases of 5.7 percent and 13.7 percent, respectively, from 2017 to 2019.

Average net sales unit values of U.S. producers increased irregularly from 2017 to 2019; from $895 per short ton in 2017 to $1,065 in 2018, and then to $963 in 2019. Per short ton net sales values ranged from a low of $*** in 2017 reported by *** to a high of $*** in 2018 reported by *** (table III-14). The variation in per short ton net sales values may reflect factors such as producer size, experience in LWR pipe and tube production, product mix, and the percentage of LWR pipe and tube each firm produces compared to other types products.

Cost of goods sold and gross profit or (loss)

The total cost of goods sold ("COGS") of U.S. producers fluctuated from 2017 to 2019, increasing from 2017 to 2018 before declining in 2019 to lower than the 2018 total, but not lower than the 2017 total (table III-12). The individual components of COGS (raw materials, direct labor, and other factory costs) are discussed next.

Raw materials represented the largest share of COGS, fluctuating between 82.3 percent and 84.0 percent from 2017 to 2019 (table III-12). Raw material costs increased by 21.9 percent in absolute value terms from $340.7 million in 2017 to $415.2 million in 2019. Average per short ton raw material costs increased from $630 per short ton in 2017 to $754 in 2018 and then decreased to $726 in 2019 (table III-12).

Other factory costs represented the second largest share of COGS, ranging from 10.5 percent in 2018 to 11.4 percent in 2017. Other factory costs increased by 18.0 percent in absolute value from 2017 to 2019 (table III-12). Average per short ton other factory costs continually increased from $87 in 2017 to $97 in 2019 (table III-12).

Direct labor costs represented the third largest share of COGS, fluctuating within a relatively narrow band of 5.5 percent to 6.3 percent. Direct labor costs increased by 15.8 percent in absolute value from 2017 to 2019 (table III-12). Average per short ton direct labor costs increased each year from 2017 and 2019, from $48 in 2017 to $53 in 2019 (table III-12).

As a ratio to net sales, total COGS declined from 85.5 percent in 2017 to 84.3 percent in 2018, then increased to 91.0 percent in 2019 (table III-12). The four largest U.S. producers *** fluctuated throughout the period by having somewhat below or above the average COGS to net sales ratio within a given year, while the smaller firms were below the average COGS to sales ratio *** or notably higher *** (table III-14). The average unit COGS for the industry increased from $765 in 2017 to $898 in 2018, and then declined to $876 in 2019 (table III-12).

The aggregate gross profit of U.S. producers increased from $70.5 million in 2017 to $93.2 million in 2018, then declined to $49.8 million in 2019 (table III-12). Even though gross profit growth declined overall from 2017 to 2019, ten out of the twelve U.S. producers experienced gross profits in each year except *** and *** (table III-14).

Selling, general, and administrative expenses and operating income or (loss)

The selling, general, and administrative ("SG&A") expense ratio (i.e., total SG&A expenses divided by net sales) of U.S. producers decreased each annual period from 2017 to 2019, from a high of 10.4 percent in 2017 to 7.9 percent from 2019 (table III-14). The SG&A expense ratio was driven upward by three U.S. producers ***, with the other nine below the average SG&A expense ratio from 2017 to 2019.

The aggregate operating income for all U.S. producers was $20.0 million in 2017, $47.2 million in 2018, and $6.4 million in 2019 (table III-12). Six U.S. producers *** had operating income for all three years from 2017 to 2019. ***. Six producers *** had at least one year of negative operating income. *** had positive net income for all three years from 2017 to 2019. ***. Six producers *** had at least one year of negative net income. *** (table III-14). Aggregated for the industry, net income margins (i.e. net income divided by net sales) increased from 3.2 percent in 2017 to 7.2 percent in 2018 before declining to 0.2 percent in 2019.

All other expenses and net income or (loss)

Aggregated interest expenses of U.S. producers continually increased from 2017 to 2019 while all other expenses irregularly increased during this time. All other income continually increased throughout the period. Interest expenses and all other expenses and income, combined, accounted for 1.5 percent or less of total net sales from 2017 to 2019 (table III-12).

Similar to gross and operating income, the aggregate net income of U.S. producers increased from $15.6 million in 2017 to $43.2 million in 2018, before decreasing to $948,000 in 2019 (table III-12). Similar to gross and operating income, six U.S. producers *** had positive net income for all three years from 2017 to 2019. ***. Six producers *** had at least one year of negative net income. *** (table III-14). Aggregated for the industry, net income margins (i.e. net income divided by net sales) increased from 3.2 percent in 2017 to 7.2 percent in 2018 before declining to 0.2 percent in 2019.

Variance analysis

A variance analysis for the operations of U.S. producers of LWR pipe and tube is presented in table III-15.[6] The information is derived from table III-12. The variance analysis indicates that the decline in operating income from 2017 to 2019 is primarily due to a negative net cost/expense variance that was greater than a positive price variance.

Table III-15
LWR pipe and tube: Variance analysis on the operations of U.S. producers, 2017-19

Item	Between calendar years		
	2017-19	2017-18	2018-19
Net sales:			
Price variance	***	***	***
Volume variance	***	***	***
Net sales variance	***	***	***
Cost of sales:			
Cost/expense variance	***	***	***
Volume variance	***	***	***
Total cost of sales variance	***	***	***
Gross profit variance	***	***	***
SG&A expenses:			
Cost/expense variance	***	***	***
Volume variance	***	***	***
Total SG&A expense variance	***	***	***
Operating income variance	***	***	***
Summarized as:			
Price variance	***	***	***
Net cost/expense variance	***	***	***
Net volume variance	***	***	***

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

[6] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances.

Capital expenditures and research and development expenses

Table III-16 presents capital expenditures and research and development ("R&D") expenses by company. All U.S. producers reported capital expenditures except ***. Aggregated capital expenditures irregularly decreased by 4.6 percent from 2017 to 2019. The majority of capital expenditures were reported by five U.S. producers ***. Most firms incurred capital expenditures for new machinery and equipment modernization. *** reported R&D expenses during the period examined.

Table III-16
LWR pipe and tube: Capital expenditures and R&D expenses of U.S. producers, 2017-19

Item	Calendar year		
	2017	2018	2019
	Capital expenditures (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total capital expenditures	11,123	16,105	10,616
	Research and development expenses (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total R&D expenses	***	***	***

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

Assets and return on assets

U.S. producers were requested to provide data on their assets used in the production and sales of LWR pipe and tube during the period for which data were collected. Data on the U.S. producers' total assets and their return on assets are presented in table III-17.[7] Aggregated total net assets increased by 37.1 percent from 2017 to 2019. The return on assets increased from 5.7 percent in 2017 to 11.0 in 2018 and then decreased to 1.3 percent in 2019.

Table III-17
LWR pipe and tube: U.S. producers' total assets and return on assets, 2017-19

Firm	Calendar year		
	2017	2018	2019
	Total net assets (1,000 dollars)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Total net assets	347,655	428,489	476,637
	Operating return on assets (percent)		
AK Tube	***	***	***
Atlas	***	***	***
Bull Moose	***	***	***
California Steel	***	***	***
Hanna	***	***	***
Hannibal	***	***	***
Maruichi	***	***	***
Nucor	***	***	***
Prolamsa	***	***	***
Searing	***	***	***
EXL Tube	***	***	***
Vest	***	***	***
Average operating return on assets	5.7	11.0	1.3

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

[7] The return on assets ("ROA") is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations may have been required in order to report a total asset value for LWR pipe and tube.

Part IV: U.S. imports and the foreign industries

U.S. imports

Overview

The Commission issued questionnaires to 34 potential importers of LWR pipe and tube between 2014 to 2019. Thirteen firms provided data and information in response to the questionnaires, while six firms indicated that they had not imported LWR pipe and tube during the period for which data were collected.[1] Based on official import statistics for imports of LWR pipe and tube, importers' questionnaire data accounted for 56.3 percent of total U.S. imports in 2019 and 69.0 percent of total subject imports in 2019. Firms responding to the Commission's questionnaire accounted for the following shares of individual subject country's subject imports (as a share of official import statistics, by quantity) during 2019.

- 0 percent of the subject imports from China during 2019
- 0 percent of the subject imports from Korea during 2019
- 70.2 percent of the subject imports from Mexico during 2019
- 0 percent of the subject imports from Turkey during 2019

In light of the data coverage by the Commission's questionnaires, import data in this report are based on official Commerce statistics for LWR pipe and tube.[2]

Imports from subject and nonsubject countries

Table IV-1 and figure IV-1 present information on U.S. imports of LWR pipe and tube from China, Korea, Mexico, Turkey, and all other sources over the period examined. Between 2017 and 2018, the quantity of imports from subject sources decreased by 8.6 percent while the quantity of imports from nonsubject sources increased by 0.6 percent. Between 2018 and 2019, the quantity of imports from subject sources decreased by 21.1 percent while the

[1] ***, ***, ***, ***, ***, and *** indicated they had not imported LWR pipe and tube during the period for which data were collected.

[2] Official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020. Only one firm reported importing under other HTS statistical reporting numbers, and only from nonsubject sources, accounting for *** percent of reported nonsubject imports in 2019.

quantity of imports from nonsubject sources decreased by 14.7 percent. Between 2018 and 2019, the quantity of imports from Turkey decreased by 89.8 percent.[3]

Table IV-1
LWR pipe and tube: U.S. imports by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. imports from.--			
China	465	274	380
Korea	17	55	20
Mexico	105,640	99,294	85,630
Turkey	14,801	10,893	1,114
Subject sources	120,923	110,515	87,144
Nonsubject sources	127,606	128,420	109,496
All import sources	248,529	238,935	196,640
	Value (1,000 dollars)		
U.S. imports from.--			
China	803	520	738
Korea	18	83	21
Mexico	83,698	105,480	75,116
Turkey	9,400	9,499	1,095
Subject sources	93,920	115,581	76,970
Nonsubject sources	115,322	141,843	108,998
All import sources	209,242	257,424	185,968
	Unit value (dollars per short ton)		
U.S. imports from.--			
China	1,729	1,900	1,942
Korea	1,048	1,520	1,038
Mexico	792	1,062	877
Turkey	635	872	983
Subject sources	777	1,046	883
Nonsubject sources	904	1,105	995
All import sources	842	1,077	946

Table continued on next page.

[3] Only two firms reported importing from Turkey. Both firms ***.

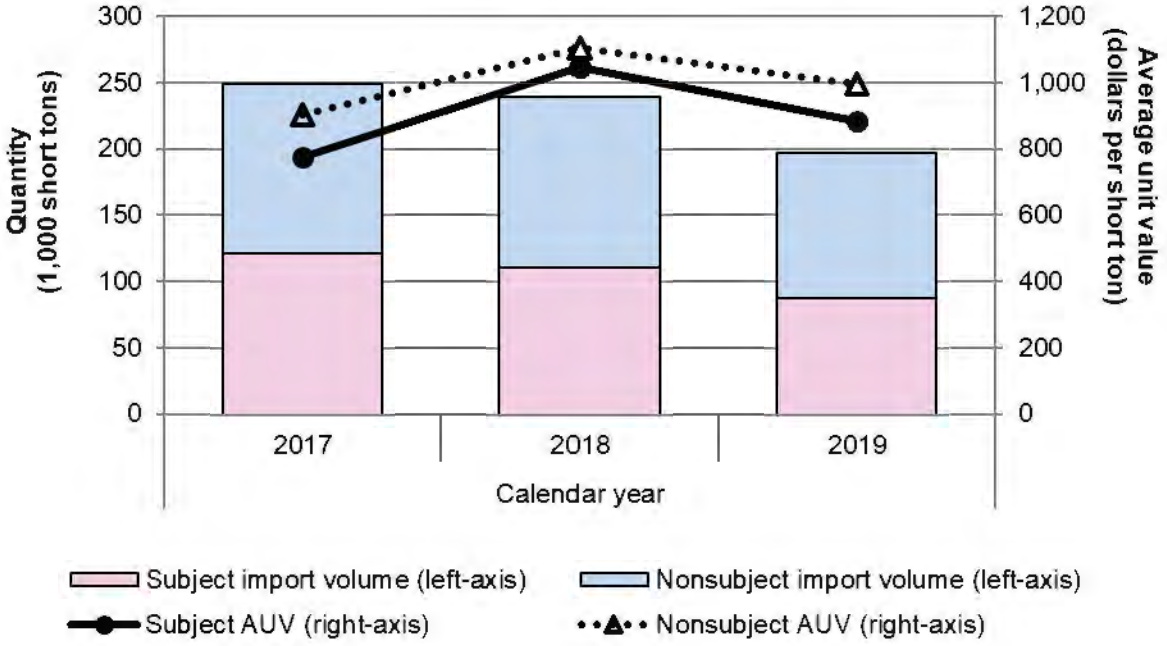
Table IV-1--Continued
LWR pipe and tube: U.S. imports by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. imports from.--			
China	0.2	0.1	0.2
Korea	0.0	0.0	0.0
Mexico	42.5	41.6	43.5
Turkey	6.0	4.6	0.6
Subject sources	48.7	46.3	44.3
Nonsubject sources	51.3	53.7	55.7
All import sources	100.0	100.0	100.0
	Share of value (percent)		
U.S. imports from.--			
China	0.4	0.2	0.4
Korea	0.0	0.0	0.0
Mexico	40.0	41.0	40.4
Turkey	4.5	3.7	0.6
Subject sources	44.9	44.9	41.4
Nonsubject sources	55.1	55.1	58.6
All import sources	100.0	100.0	100.0
	Ratio to U.S. production (percent)		
U.S. imports from.--			
China	0.1	0.0	0.1
Korea	0.0	0.0	0.0
Mexico	19.7	18.0	15.3
Turkey	2.8	2.0	0.2
Subject sources	22.5	20.1	15.6
Nonsubject sources	23.8	23.3	19.6
All import sources	46.3	43.4	35.1

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

Source: Official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020.

Figure IV-1
LWR pipe and tube: U.S. import volumes and prices, 2017-19



Source: Official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020.

U.S. imports by type

Table IV-2 presents U.S. importers' U.S. shipments of LWR that had been further manufactured and LWR that had not been further manufactured and was sold in mill lengths. The share of processed shipments from all import sources ranged between *** and *** percent of total shipments during 2017-19. Processed U.S. shipments were *** reported for U.S. imports from ***, accounting for between *** percent and *** percent of such U.S. shipments during 2017-19. U.S. shipments of processed LWR pipe and tube from nonsubject sources increased by *** percent between 2017 and 2018, and by *** percent between 2018 and 2019. [4] U.S. shipments of unprocessed LWR pipe and tube imports from subject sources (Mexico and Turkey) decreased by *** percent during 2017-19 while unprocessed U.S. shipments from nonsubject sources decreased by *** percent during the same time period.

[4] Responding firms reported that post mill length activities included cutting, drilling, and swiping.

Table IV-2
LWR pipe and tube: U.S. importers' U.S. shipments by type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. shipments: Mexico			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Share of quantity (percent)		
U.S. shipments: Mexico			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Quantity (short tons)		
U.S. shipments: Turkey			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Share of quantity (percent)		
U.S. shipments: Turkey			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Quantity (short tons)		
U.S. shipments: Subject sources			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Share of quantity (percent)		
U.S. shipments: Subject sources			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Quantity (short tons)		
U.S. shipments: Nonsubject sources			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Share of quantity (percent)		
U.S. shipments: Nonsubject sources			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***

Table continued on next page.

Table IV-2—Continued
LWR pipe and tube: U.S. importers' U.S. shipments by type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. shipments: All import sources			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***
	Share of quantity (percent)		
U.S. shipments: All import sources			
Processed	***	***	***
Unprocessed	***	***	***
All product types	***	***	***

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

Cumulation considerations

In assessing whether U.S. imports from the subject countries are likely to compete with each other and with the domestic like product, the Commission has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning geographical markets and simultaneous presence in the market is presented below.

Geographical markets

U.S. imports from subject sources entered through all four border entries in 2019. The vast majority of imports from subject sources entered through the South and were primarily imports from Mexico. U.S. imports from China entered through all four borders of entry, while imports from Korea entered almost exclusively through the East, imports from Mexico entered through the South and West, and imports from Turkey entered through the East and South.

Table IV-3
LWR pipe and tube: U.S. imports, by border of entry, 2019

Item	Border of entry				
	East	North	South	West	All borders
	Quantity (short tons)				
Imports from.--					
China	150	3	80	148	380
Korea	20	---	---	0	20
Mexico	---	---	84,796	834	85,630
Turkey	523	---	591	---	1,114
Subject sources	693	3	85,467	982	87,144
Nonsubject sources	31,491	51,759	3,772	22,475	109,496
All import sources	32,183	51,762	89,239	23,456	196,640
	Share across (percent)				
Imports from.--					
China	39.5	0.8	20.9	38.8	100.0
Korea	98.7	---	---	1.3	100.0
Mexico	---	---	99.0	1.0	100.0
Turkey	46.9	---	53.1	---	100.0
Subject sources	0.8	0.0	98.1	1.1	100.0
Nonsubject sources	28.8	47.3	3.4	20.5	100.0
All import sources	16.4	26.3	45.4	11.9	100.0
	Share down (percent)				
Imports from.--					
China	0.5	0.0	0.1	0.6	0.2
Korea	0.1	---	---	0.0	0.0
Mexico	---	---	95.0	3.6	43.5
Turkey	1.6	---	0.7	---	0.6
Subject sources	2.2	0.0	95.8	4.2	44.3
Nonsubject sources	97.8	100.0	4.2	95.8	55.7
All import sources	100.0	100.0	100.0	100.0	100.0

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

Source: Official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020.

Presence in the market

Table IV-4 presents data on the monthly entries of U.S. imports of LWR pipe and tube, by source, during January 2017 through January 2020. Imports from China were present in 36 out of 37 months for which data were collected; imports from Korea were present in eight out of 37 months; imports from Mexico were present in every month; and imports from Turkey were present in 24 out of 37 months.

Table IV-4
LWR pipe and tube: U.S. imports monthly entries, by source, January 2017 through January 2020

U.S. imports	China	Korea	Mexico	Turkey	Subject sources	Nonsubject sources	All import sources
	Quantity (short tons)						
2017.--							
January	---	---	8,356	383	8,739	9,624	18,363
February	59	---	7,977	732	8,769	10,275	19,044
March	3	---	10,397	345	10,745	10,747	21,492
April	83	---	9,333	1,547	10,963	11,958	22,921
May	64	---	9,121	1,276	10,462	12,373	22,834
June	44	---	10,941	1,083	12,068	9,485	21,552
July	51	---	7,662	4,037	11,749	11,758	23,507
August	38	---	10,523	461	11,022	9,951	20,973
September	53	---	7,449	3,678	11,180	12,043	23,223
October	13	---	8,657	1,259	9,929	10,591	20,520
November	44	---	7,038	---	7,081	10,608	17,689
December	13	17	8,186	---	8,217	8,193	16,410
2018.--							
January	44	---	8,294	1,852	10,191	11,184	21,374
February	5	11	8,865	1,246	10,127	11,020	21,147
March	62	---	13,167	1,013	14,242	12,521	26,763
April	5	5	11,502	1,287	12,798	11,315	24,113
May	9	1	13,929	1,801	15,740	12,883	28,623
June	28	11	3,785	---	3,824	9,908	13,732
July	71	---	9,746	---	9,817	11,769	21,587
August	8	---	7,155	992	8,155	8,851	17,006
September	23	---	5,696	113	5,831	8,300	14,131
October	4	28	6,950	220	7,202	12,422	19,624
November	9	---	4,832	308	5,149	10,129	15,278
December	4	---	5,373	2,061	7,438	8,117	15,555

Table continued on next page.

Table IV-4—Continued
LWR pipe and tube: U.S. imports monthly entries, by source, January 2017 through January 2020

U.S. imports	China	Korea	Mexico	Turkey	Subject sources	Nonsubject sources	All import sources
	Quantity (short tons)						
2019.--							
January	22	20	6,702	523	7,267	9,909	17,176
February	19	---	6,768	375	7,163	10,135	17,298
March	30	---	6,512	---	6,543	8,804	15,347
April	84	---	6,259	---	6,343	7,717	14,060
May	53	---	4,817	---	4,869	8,446	13,316
June	35	---	7,586	215	7,837	7,967	15,804
July	42	---	6,970	---	7,012	10,545	17,557
August	8	---	8,224	---	8,232	9,159	17,391
September	21	---	8,680	---	8,701	8,472	17,173
October	23	---	9,364	---	9,386	11,594	20,980
November	16	---	7,390	---	7,406	8,757	16,163
December	27	---	6,357	---	6,384	7,990	14,375
2020.--							
January	164	2	9,515	3	9,683	11,044	20,727

Source: Official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020.

U.S. importers' imports subsequent to December 2019

The Commission requested importers to indicate whether they had imported or arranged for the importation of LWR pipe and tube from China, Korea, Mexico, and Turkey for delivery after December 31, 2019. The 12 responding U.S. importers reported arranged U.S. imports from *** and ***. All arranged imports from *** and the majority of arranged imports from *** were scheduled for *** and ***.

Table IV-5
LWR pipe and tube: U.S. importers' arranged imports

Arranged U.S. imports from	Period				
	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Total
China	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Turkey	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

U.S. importers' inventories

Table IV-6 presents data for inventories of U.S. imports of LWR pipe and tube from China, Korea, Mexico, Turkey and all other sources held in the United States. Reported end-of-period inventories from Mexico increased by *** percent between 2017 and 2018, and then declined by *** percent between 2018 and 2019. As reported imports from Turkey declined in 2018 and ceased in 2019, reported end-of-period inventories for LWR pipe and tube imported from Turkey decreased by *** percent between 2017 and 2018, and *** percent in 2019. End-of-period inventories of imports from nonsubject sources increased by *** percent during the same time period and rose from the equivalent to *** percent of such U.S. imports in 2017 to *** percent in 2019.

Table IV-6
LWR pipe and tube: U.S. importers' end-of-period inventories of imports, by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Inventories (short tons); Ratios (percent)		
Imports from China:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Korea:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Mexico:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Turkey:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***

Table continued on next page.

Table IV-6--Continued
LWR pipe and tube: U.S. importers' end-of-period inventories of imports, by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Inventories (short tons); Ratios (percent)		
Imports from Subject sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from nonsubject sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from all import sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***

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

The industry in China

Overview

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from three firms in China, which accounted for approximately *** percent of U.S. imports according to Customs data.[5]

During the first five-year reviews, the Commission received no responses from producers of LWR pipe and tube from China. Although the Commission did not receive responses from any Chinese respondent interested parties in its first five-year reviews, according to Simdex (a market research firm), there were approximately 39 known producers of carbon-welded pipes having rectangular and square cross-sections with a wall thickness of less than four millimeters in China.[6]

[5] Investigation Nos. 701-TA-449 and 731-TA-1118-1121 (Final): Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey—Staff Report, INV-FF-049, May 1, 2008, p. VII-2.

[6] Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Publication 4470, June 2013, p. 10.

In these current reviews, the Commission received no responses from producers of LWR pipe and tube from China. Although the Commission did not receive responses from any Chinese respondent interested parties in these current reviews, the domestic interested parties provided a list of 14 firms that they believe currently produce LWR pipe and tube in China.[7]

Exports

According to GTA, the leading export markets for tubes, pipes and hollow profiles of a square or rectangular cross-section from China are Myanmar, Korea, and the Philippines (table IV-7). During 2019, the United States accounted for 0.6 percent of exports from China. During 2019, unit values for exports of tubes, pipes and hollow profiles of a square or rectangular cross-section from China were highest for exports to the United States, followed by exports to the Philippines, and then exports to Australia.

Table IV-7
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Exports from China, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	9,470	9,899	7,873
Myanmar	144,175	139,367	213,980
Korea	178,146	117,690	112,014
Philippines	106,431	114,015	108,785
Peru	56,545	75,259	66,314
Ghana	70,346	68,338	49,346
Singapore	39,184	39,502	47,329
Australia	54,388	38,632	37,120
Panama	42,873	28,666	30,614
All other destination markets	751,266	629,303	641,017
Total exports	1,452,824	1,260,669	1,314,391

Table continued on next page.

[7] Domestic interested parties' response to the notice of institution, May 31, 2019, exh. 8.

Table IV-7--Continued
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Exports from China, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
United States	11,045	12,210	9,259
Myanmar	83,574	91,585	165,886
Korea	94,249	70,679	61,367
Philippines	72,950	93,755	102,936
Peru	30,766	47,382	37,396
Ghana	38,144	45,041	36,385
Singapore	25,591	31,732	38,763
Australia	41,940	34,335	30,919
Panama	20,803	18,337	19,266
All other destination markets	517,967	537,713	542,694
Total exports	937,030	982,769	1,044,871
	Unit value (dollars per short ton)		
United States	1,166	1,234	1,176
Myanmar	580	657	775
Korea	529	601	548
Philippines	685	822	946
Peru	544	630	564
Ghana	542	659	737
Singapore	653	803	819
Australia	771	889	833
Panama	485	640	629
All other destination markets	689	854	847
Total exports	645	780	795
	Share of quantity (percent)		
United States	0.7	0.8	0.6
Myanmar	9.9	11.1	16.3
Korea	12.3	9.3	8.5
Philippines	7.3	9.0	8.3
Peru	3.9	6.0	5.0
Ghana	4.8	5.4	3.8
Singapore	2.7	3.1	3.6
Australia	3.7	3.1	2.8
Panama	3.0	2.3	2.3
All other destination markets	51.7	49.9	48.8
Total exports	100.0	100.0	100.0

Note.-- United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Note.— Square or rectangular pipes and tubes includes subject LWR pipe and tube as well as nonsubject pipes and tubes of alloy steel with a wall thickness of 4 mm or more. Because of rounding, figures may not add to total shown.

Source: Official exports statistics under HS subheading 7306.61 as reported by China Customs in the Global Trade Atlas database, accessed April 10th, 2020.

The industry in Korea

Overview

During the final phase of the original investigations, the Commission received no foreign producer/exporter questionnaires from Korean producers; however, in the preliminary phase of the original investigations, six Korean producers provided the Commission with completed foreign producer questionnaire responses.[8]

During the first five-year reviews, the Commission received no responses from producers of LWR pipe and tube from Korea. Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, according to Simdex (a market research firm), there were approximately nine known manufacturers of LWR pipe and tube in Korea. [9]

Although the Commission did not receive responses from any Korean respondent interested parties in these current reviews, the domestic interested parties provided a list of seven firms that they believe currently produce LWR pipe and tube in Korea.[10]

Exports

According to GTA, the leading export markets by quantity for tubes, pipes and hollow profiles of a square or rectangular cross-section from Korea are the United States, Australia, and Taiwan (table IV-8). During 2019, the United States was the top export market by quantity for tubes, pipes and hollow profiles from Korea, accounting for 40.8 percent, followed by Australia, accounting for 31.7 percent. Between 2017 and 2019, exports from Korea to the United States decreased by 56.9 percent, while exports from Korean to Australia increased by 47.5 percent during the same time period. Korean exports to Vietnam increased by 814.9 percent between 2017 and 2018, and then decreased by 66.9 percent between 2018 and 2019.

[8] Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico, Inv. Nos. 701-TA-449 and 731-TA-1118-1120 (Final), USITC Publication 4024, July 2008, p. VII-3.

[9] Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Publication 4470, June 2013 pp. IV-8-IV-10.

[10] Domestic interested parties' response to the notice of institution, May, 31, 2019, exh. 8.

Table IV-8:
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Exports from Korea, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	73,130	55,298	31,490
Australia	16,594	18,244	24,470
Taiwan	5,646	5,963	6,809
Japan	4,597	3,129	3,433
Vietnam	869	7,954	2,636
Mexico	3,319	4,059	2,352
China	156	---	2,010
New Zealand	250	1,638	1,450
Hungary	54	47	1,020
All other destination markets	8,455	3,444	1,576
Total exports	113,072	99,776	77,246
	Value (1,000 dollars)		
United States	41,676	40,378	22,359
Australia	11,078	13,545	17,482
Taiwan	3,306	4,069	4,539
Japan	3,173	2,485	2,618
Vietnam	864	3,425	1,685
Mexico	2,031	2,616	1,608
China	108	---	1,337
New Zealand	105	1,117	831
Hungary	62	53	934
All other destination markets	9,632	6,046	3,805
Total exports	72,036	73,735	57,198
	Unit value (dollars per short ton)		
United States	570	730	710
Australia	668	742	714
Taiwan	586	682	667
Japan	690	794	763
Vietnam	994	431	639
Mexico	612	645	684
New Zealand	690	---	665
Peru	420	682	573
Pakistan	1,134	1,135	916
All other destination markets	1,139	1,756	2,414
Total exports	637	739	740

Table continued on next page.

Table IV-8--Continued
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Exports from Korea, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
United States	64.7	55.4	40.8
Australia	14.7	18.3	31.7
Taiwan	5.0	6.0	8.8
Japan	4.1	3.1	4.4
Vietnam	0.8	8.0	3.4
Mexico	2.9	4.1	3.0
New Zealand	0.1	---	2.6
Peru	0.2	1.6	1.9
Pakistan	0.0	0.0	1.3
All other destination markets	7.5	3.5	2.0
Total exports	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Note.— Square or rectangular pipes and tubes includes subject LWR pipe and tube as well as nonsubject pipes and tubes of alloy steel with a wall thickness of 4 mm or more. Because of rounding, figures may not add to total shown.

Source: Official exports statistics under HS subheading 7306.61 as reported by Korea Customs and Trade Development Institution in the Global Trade Atlas database, accessed April 10th, 2020.

The industry in Mexico

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from eight firms.[11]

During the first five-year reviews, the Commission received foreign producer/exporter questionnaires from seven firms, which accounted for the vast majority of production of LWR pipe and tube from Mexico during 2013.[12]

In their response to the Commission's notice of institution in the current reviews, the respondent interested parties identified 11 producers of LWR pipe and tube in Mexico.[13]

[11] The eight reporting firms were Arco Metal S.A. de C.V., Hylsa, S.A. de C.V., Industrias Monterrey, S.A. de C.V., Maquilacero, Nacional de Acero, S.A. de C.V., Perfiles y Herrajes LM S.A. de C.V., Prolamsa, and Regiomontana. Light-Walled Rectangular Pipe and Tube from Turkey, Inv. No. 731-TA-1121 (Final), USITC Publication 4001, May 2008, p. VII-5.

[12] The seven responding firms were ***, ***, ***, ***, ***, ***, and ***. Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review), USITC Publication 4470, June 2013, p. IV-11.

[13] Respondent interested parties' response to the notice of institution, exh. 2

The Commission issued foreign producers' or exporters' questionnaires to nine firms believed to produce and/or export LWR pipe and tube in Mexico. The Commission received six responses from producers of LWR pipe and tube from Mexico which are believed to account for over 70 percent of exports from Mexico to the United States during 2019.[14]

Table IV-9
LWR pipe and tube: Summary data on producers in Mexico, 2019

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
ArcelorMittal Monterrey	***	***	***	***	***	***
Arco Metal	***	***	***	***	***	***
Maquilacero	***	***	***	***	***	***
Nacional de Acero	***	***	***	***	***	***
Productos Laminados	***	***	***	***	***	***
Regiomontana	***	***	***	***	***	***
Total	***	100.0	***	100.0	***	***

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

Changes in operations

Foreign producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of LWR pipe and tube since 2014. Two of the five responding producers in Mexico indicated that they had experienced such changes; their responses are presented in table IV-10.

[14] Maquilacero and Regiomontana estimate their share of total Mexican production is approximately *** percent and *** percent, respectively. Maquilacero S.A. de C.V. and Regiomontana de Perfiles y Tubos, S.A de C.V.'s Response to The Commission's Request, p. 2.

Table IV-10
LWR pipe and tube: Reported changes in operations by firms in Mexico

Item / Firm	Narrative
Expansions:	
***	***
***	***
Consolidations:	
***	***
Other:	
***	***
Expansions:	
***	***
Consolidations:	
***	***
Revised labor agreements:	
***	***
Other:	
***	***

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

Operations on LWR pipe and tube

Table IV-11 presents information on the LWR pipe and tube operations of the responding producers in Mexico for 2017-19. Aggregate capacity for the responding producers in Mexico increased by *** percent between 2017 and 2018, and then increased by *** percent between 2018 and 2019. Aggregate production decreased by *** percent between 2017 and 2018, and then further decreased by *** percent between 2018 and 2019.

Combined commercial home market shipments increased by *** percent between 2017 and 2018, and then further increased by *** percent between 2018 and 2019. Responding Mexican producers combined exports to the United States decreased by *** percent between 2017 and 2018, and then further decreased by *** percent between 2018 and 2019.

Table IV-11:
LWR pipe and tube: Mexico capacity, production, shipments, and inventories, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Capacity	***	***	***
Production	***	***	***
End-of-period inventories	***	***	***
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***
	Unit value (dollars per short ton)		
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***

Table continued on next page.

Table IV-11—Continued
LWR pipe and tube: Mexico capacity, production, shipments, and inventories, 2017-19

Item	Calendar year		
	2017	2018	2019
	Ratios and shares (percent)		
Capacity utilization	***	***	***
Inventories/production	***	***	***
Inventories/total shipments	***	***	***
Share of total shipments: Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to: United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	100.0	100.0	100.0

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

Alternative products

Table IV-12 presents responding Mexican producers' overall capacity on equipment used to produce LWR pipe and tube. Responding producers in Mexico reported HWR, CWT, octagonal, green tubes, round structural tubes, and purlin as out-of-scope merchandise produced during 2017-19. No firms reported that they do not produce products other than LWR pipe and tube on the same equipment or using the same employees.

Table IV-12:
LWR pipe and tube: Mexico producers' overall capacity and production on the same equipment as subject production, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Overall capacity	***	***	***
Production: LWR pipe and tube	***	***	***
Out of scope production	***	***	***
Total production			
	Ratios and shares (percent)		
Capacity utilization	***	***	***
Share of production: LWR pipe and tube	***	***	***
Out of scope production	***	***	***
Total production	100.0	100.0	100.0

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

Total shipments by type

Table IV-13 presents Mexican producers' total shipments by type. The share of Mexican producers' processed shipments ranged from *** percent to *** percent of total shipments during 2017-19. The six responding firms reported that post mill length activities included cutting, bending, drilling, and perforation.

Table IV-13
LWR pipe and tube: Mexican producers' total shipments by type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Total shipments:			
Processed	***	***	***
Unprocessed	***	***	***
Total shipments	***	***	***
	Share of quantity (percent)		
Total shipments:			
Processed	***	***	***
Unprocessed	***	***	***
Total shipments	100.0	100.0	100.0

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

Exports

According to GTA, the leading export markets by quantity for tubes, pipes and hollow profiles of a square or rectangular cross-section from Mexico are the United States and Guatemala (table IV-14). During 2019, the United States was the top export market by quantity for LWR pipe and tube from Mexico, accounting for over 99 percent of exports. Between 2017 and 2019, exports of LWR pipe and tube from Mexico to Guatemala have decreased by 40.8 percent.

Table IV-14
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Mexico exports by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	173,040	149,706	117,215
Guatemala	1,372	1,187	812
Costa Rica	170	237	25
Cuba	379	889	---
Dominican Republic	---	12	---
El Salvador	228	149	---
France	---	56	---
Germany	---	---	---
Greece	4	---	---
All other destination markets	2,295	599	---
Total exports	177,487	152,834	118,052
	Value (1,000 dollars)		
United States	150,209	150,430	109,272
Guatemala	1,253	1,238	788
Costa Rica	166	208	25
Cuba	504	1,050	---
Dominican Republic	---	31	---
El Salvador	206	145	---
France	---	218	---
Germany	---	---	---
Greece	9	---	---
All other destination markets	2,124	822	---
Total exports	154,471	154,142	110,085
	Unit value (dollars per short ton)		
United States	868	1,005	932
Guatemala	913	1,043	971
Costa Rica	981	877	992
Cuba	1,331	1,182	---
Dominican Republic	---	2,470	---
El Salvador	903	977	---
France	---	3,869	---
Germany	---	---	---
Greece	2,056	---	---
All other destination markets	925	1,372	---
Total exports	870	1,009	933

Table continued on next page.

Table IV-14--Continued
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Mexico exports by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
United States	97.5	98.0	99.3
Guatemala	0.8	0.8	0.7
Costa Rica	0.1	0.2	0.0
Cuba	0.2	0.6	---
Dominican Republic	---	0.0	---
El Salvador	0.1	0.1	---
France	---	0.0	---
Germany	---	---	---
Greece	0.0	---	---
All other destination markets	1.3	0.4	---
Total exports	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Note.— Square or rectangular pipes and tubes includes subject LWR pipe and tube as well as nonsubject pipes and tubes of alloy steel with a wall thickness of 4 mm or more. Because of rounding, figures may not add to total shown.

Source: Official exports statistics under HS subheading 7306.61 as reported by INEGI in the Global Trade Atlas database, accessed April 10th, 2020.

The industry in Turkey

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from seven firms, which accounted for approximately *** percent of subject U.S. imports of LWR pipe and tube from Turkey during 2005-07.[15]

During the first five-year review, the Commission received foreign producer/exporter questionnaires from two firms, which accounted for approximately *** percent of total production of LWR pipe and tube in Turkey.[16]

Although the Commission did not receive responses from any respondent interested parties in these current reviews, the domestic interested parties provided a list of 14 firms that they believe currently produce LWR pipe and tube in Turkey.[17]

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[15] Confidential Views, Light-Walled Rectangular Pipe and Tube from Turkey, Investigation No. 731-TA-1121 (Final), p. 5.

[16] Investigation Nos. 701-449 and 731-TA-1118-1121 (Review): Light-walled rectangular pipe and tube from China, Korea, Mexico, and Turkey –Staff Report, INV-MM-037, May 5, 2014, p.I-11.

Exports

According to GTA, the leading export markets by quantity for tubes, pipes and hollow profiles of a square or rectangular cross-section from Turkey are Iraq, Romania, and the United Kingdom (table IV-15). Exports to the United States decreased by 3.2 percent between 2017 and 2018, and then decreased by 83.5 percent between 2018 and 2019.

Table IV-15
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Turkey exports by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	33,195	32,133	5,297
Iraq	293,118	139,549	169,975
Romania	148,588	167,749	168,665
United Kingdom	151,167	144,881	144,572
Belgium	38,933	48,855	65,456
Israel	23,795	26,927	46,545
Georgia	47,349	37,846	41,953
Ireland	20,108	24,997	26,857
Netherlands	38,154	35,653	24,715
All other destination markets	193,233	205,556	207,506
Total exports	987,641	864,146	901,540
	Value (1,000 dollars)		
United States	19,580	22,138	3,224
Iraq	158,078	83,708	87,497
Romania	76,829	99,627	84,265
United Kingdom	78,337	87,980	75,926
Belgium	20,517	29,646	33,894
Israel	12,946	17,281	27,026
Georgia	25,780	22,728	21,807
Ireland	10,453	14,984	13,593
Netherlands	20,366	21,732	13,054
All other destination markets	108,949	132,755	120,824
Total exports	531,835	532,579	481,110

Table continued on next page.

(…*continued*)

[17] Domestic interested parties' response to the notice of institution, exh. 8.

Table IV-15--Continued
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Turkey exports by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	590	689	609
Iraq	539	600	515
Romania	517	594	500
United Kingdom	518	607	525
Belgium	527	607	518
Israel	544	642	581
Georgia	544	601	520
Ireland	520	599	506
Netherlands	534	610	528
All other destination markets	564	646	582
Total exports	538	616	534
	Share of quantity (percent)		
United States	3.4	3.7	0.6
Iraq	29.7	16.1	18.9
Romania	15.0	19.4	18.7
United Kingdom	15.3	16.8	16.0
Belgium	3.9	5.7	7.3
Israel	2.4	3.1	5.2
Georgia	4.8	4.4	4.7
Ireland	2.0	2.9	3.0
Netherlands	3.9	4.1	2.7
All other destination markets	19.6	23.8	23.0
Total exports	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Note.— Square or rectangular pipes and tubes includes subject LWR pipe and tube as well as nonsubject pipes and tubes of alloy steel with a wall thickness of 4 mm or more. Because of rounding, figures may not add to total shown.

Source: Official exports statistics under HS subheading 7306.61 as reported by Turkey Stat Institute of Statistics in the Global Trade Atlas database, accessed April 10th, 2020.

Antidumping or countervailing duty orders in third-country markets

Canada issued an antidumping duty order on Korea for HSS that are classified under HS 7306.61, effective December 20, 2013. Thailand imposed antidumping duty orders (with duty rates of 6.88 to 38.23 percent) on certain steel pipe and tube from China and Korea that include articles classified under HS 7306.61, that was in effect from October 11, 2016 to May 15, 2017. On June 21, 2019, the European Union imposed a global safeguard on all steel products.[18]

[18] European Commission, Notices, http://trade.ec.europa.eu/tdi/notices.cfm (accessed July 15, 2019).

Global market

Table IV-16 presents the largest global export sources of square or rectangular pipes and tubes during 2017-19. In 2019, the five leading exporters, based on quantity, of tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section (HTS 7306.61) were Italy, China, Turkey, Russia and Canada respectively. These five countries accounted for approximately 59.1 percent of total global exports.

Table IV-16
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Global exports by major sources, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	165,866	146,012	109,658
China	1,452,824	1,260,669	1,314,391
Korea	113,072	99,776	77,246
Mexico	177,487	152,834	118,052
Turkey	987,641	864,146	901,399
Subject sources	2,731,024	2,377,425	2,411,088
Italy	1,378,567	1,346,720	1,379,450
Canada	370,871	317,259	310,277
Russia	316,323	366,323	402,356
Germany	169,615	167,349	160,038
All other destination markets	372,759	946,790	100,418
Total exports	8,236,049	8,045,303	7,284,373
	Value (1,000 dollars)		
United States	183,529	185,020	141,066
China	937,030	982,769	1,044,871
Korea	72,036	73,735	57,198
Mexico	154,471	154,142	110,085
Turkey	531,835	532,579	481,110
Subject sources	1,695,371	1,743,224	1,693,264
Italy	1,246,035	1,359,586	1,225,413
Canada	351,328	322,666	279,869
Russia	173,467	213,373	220,097
Germany	217,106	234,124	197,824
All other destination markets	663,683	1,077,228	299,625
Total exports	6,225,891	6,878,447	5,750,422

Table continued on next page.

Table IV-16—Continued
Tubes, pipes and hollow profiles, of iron or steel, welded, of a square or rectangular cross-section: Global exports by major sources, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	1,106	1,267	1,286
China	645	780	795
Korea	637	739	740
Mexico	870	1,009	933
Turkey	538	616	534
Subject sources	621	733	702
Italy	904	1,010	888
Canada	947	1,017	902
Russia	548	582	547
Germany	1,280	1,399	1,236
All other destination markets	1,780	1,138	2,984
Total exports	756	855	789
	Share of quantity (percent)		
United States	2.0	1.8	1.5
China	17.6	15.7	18.0
Korea	1.4	1.2	1.1
Mexico	2.2	1.9	1.6
Turkey	12.0	10.7	12.4
Subject sources	33.2	29.6	33.1
Italy	16.7	16.7	18.9
Canada	4.5	3.9	4.3
Russia	3.8	4.6	5.5
Germany	2.1	2.1	2.2
All other destination markets	4.5	11.8	1.4
Total exports	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Note.— Square or rectangular pipes and tubes includes subject LWR pipe and tube as well as nonsubject pipes and tubes of alloy steel with a wall thickness of 4 mm or more. Because of rounding, figures may not add to total shown.

Source: Official exports statistics under HS subheading 7306.61 in the Global Trade Atlas database, accessed April 10th, 2020.

Part V: Pricing data

Factors affecting prices

Raw material costs

Ungalvanized hot rolled strip steel is the largest raw material component used in LWR pipe and tube production. Raw materials are the largest component of the total cost of goods ("COGS") of LWR pipe and tube, making up more than 80 percent of the total COGS throughout the period of investigation.[1] U.S. producers reported that the composition of COGS remained roughly the same throughout the period.

Roughly half of the responding U.S. producers (6 of 13) indicated that the raw material costs had increased since January 1, 2014 and the other half (7 of 13) reported that raw material costs had fluctuated with no clear pattern. U.S. producers *** reported that section 232 tariffs initially caused the price of raw materials to increase, but that raw material costs have fallen in 2019 to pre-232 levels. The majority of importers (7 of 13) reported that raw material costs had fluctuated with no clear pattern while a plurality (4 of 13) reported that raw material costs had increased since January 1, 2014. Importer *** reported that the fluctuations in the raw material prices were primarily driven by fluctuations in the price of hot rolled steel.

U.S. inland transportation cost

Eight responding U.S. producers and six importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 3 to 7 percent,[2] while most responding importers reported costs of 3 to 10 percent.

Pricing practices

Pricing methods

The majority of U.S. producers reported using transaction-by-transaction negotiations, contracts, and price lists to set prices for LWR pipe and tube; while the majority of importers report setting prices for LWR pipe and tube on a transaction-by-transaction basis (table V-1).

[1] The next largest component of the COGS of LWR pipe and tube is factory costs, followed by labor.
[2] U.S. producer *** reported inland transportation cost of *** percent.

Table V-1
LWR pipe and tube: U.S. producers' and importers' reported price setting methods, by number of responding firms[1]

Method	U.S. producers	Importers
Transaction-by-transaction	12	8
Contract	8	3
Set price list	7	5
Other	1	1
Responding firms	13	13

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

U.S. producers reported selling the vast majority of their LWR pipe and tube in the spot market, while importers reported selling the majority of LWR pipe and tube using short-term contracts. As shown in table V-2, U.S. producers and importers reported their 2019 U.S. commercial shipments of LWR pipe and tube by type of sale.

Table V-2
LWR pipe and tube: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2019

* * * * * * *

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

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

Six purchasers reported that they purchase product daily and one purchases weekly. Three of seven responding purchasers reported that their purchases from U.S. producers had remained constant, and two purchasers reported that their purchases from U.S. producers had increased since January 1, 2014. No purchaser reported increasing purchases from subject countries; however, *** reported that its purchases of Mexican product had remained constant, *** reported decreasing purchases of Korean product as Korean producers became less competitive in the U.S. market, and *** reported that purchases of Mexican and Turkish product fluctuated based on the pricing and availability of product from these countries. Most purchasers (4 of 6) contact 1 to 3 suppliers before making a purchase.

Sales terms and discounts

The majority of U.S. producers (8 of 13) reported that they typically quote prices on a delivered basis while the remaining U.S. producers reported that they typically quote prices on a f.o.b. basis. Half of responding importers (2 of 4) reported that they typically quote prices on a delivered basis while the remaining half reported they typically quote prices on a f.o.b. basis.

Price leadership

Four purchasers reported that U.S. producer Atlas was a price leader, three that U.S. producer Nucor was a price leader, and one firm each reported that Lockjoint, Southland and U.S. producer Searing were price leaders.

Price data

The Commission requested U.S. producers and importers provide quarterly data for the total quantity and f.o.b. value of the following LWR pipe and tube products shipped to unrelated U.S. customers from January 2017 to December 2019.

Product 1.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), carbon welded, not pickled and oiled, 2 inch square, 0.120 inch (+ or -10 percent) wall thickness (11 gauge), 20 foot or 24 foot lengths.

Product 2.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, 1 inch square, 0.065 inch nominal wall thickness (+ or -10 percent) (16 gauge), 20 foot or 24 foot mill lengths.

Product 3.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), hot-rolled, not pickled and oiled, 11 gauge or 0.120 inch +/- 10% wall, three inch square to four inches square, or in rectangular circumferences of 12 inches to 16 inches, lengths of 20 to 24 feet.

Product 4.--ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, galvanized, 2.5 inch square, 0.083 nominal wall thickness (+ or – 10 percent) (14 gauge), lengths of 20 to 24 feet.

Eleven U.S. producers and three importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[3] No

[3] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

importers reported price data from China or Korea, and no data were reported for products 2 and 4 from Turkey. Pricing data reported by these firms accounted for approximately 22.0 percent of U.S. producers' shipments of LWR pipe and tube and 18.8 percent of U.S. shipments of subject imports in 2019.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-1 to V-4.

Table V-3
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		Mexico			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2017: Jan.-Mar.	861.85	10,357	***	***	***	***	***	***
Apr.-June	870.78	9,769	***	***	***	***	***	***
July-Sept.	832.46	10,123	***	***	***	***	***	***
Oct.-Dec.	825.52	11,011	***	***	***	***	***	***
2018: Jan.-Mar.	969.75	12,384	***	***	***	***	***	***
Apr.-June	1,077.33	11,212	***	***	***	***	***	***
July-Sept.	1,074.15	10,650	***	***	***	***	***	***
Oct.-Dec.	1,027.39	9,785	***	***	***	***	***	***
2019: Jan.-Mar.	1,008.33	11,822	***	***	***	***	***	***
Apr.-June	947.71	11,198	***	***	***	***	***	***
July-Sept.	865.90	12,213	***	***	***	***	***	***
Oct.-Dec.	810.12	10,799	***	***	***	***	***	***

Table continued on next page.

Table V-3--Continued
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

* * * * * * *

Note: Product 1: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), carbon welded, not pickled and oiled, 2 inch square, 0.120 inch (+ or -10 percent) wall thickness (11 gauge), 20 foot or 24 foot lengths.

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

Table V-4
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		Mexico			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2017:								
Jan.-Mar.	916.99	1,405	***	***	***	***	***	***
Apr.-June	954.51	1,777	***	***	***	***	***	***
July-Sept.	945.92	1,891	***	***	***	***	***	***
Oct.-Dec.	944.43	1,394	***	***	***	***	***	***
2018:								
Jan.-Mar.	1,043.58	1,908	***	***	***	***	***	***
Apr.-June	1,210.89	1,926	***	***	***	***	***	***
July-Sept.	1,236.81	1,743	***	***	***	***	***	***
Oct.-Dec.	1,207.00	1,449	***	***	***	***	***	***
2019:								
Jan.-Mar.	1,134.36	1,288	***	***	***	***	***	***
Apr.-June	1,096.37	1,690	***	***	***	***	***	***
July-Sept.	1,040.23	1,497	***	***	***	***	***	***
Oct.-Dec.	998.34	1,309	***	***	***	***	***	***

Table continued on next page.

Table V-4--Continued
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

* * * * * * *

Note: Product 2: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, 1 inch square, 0.065 inch nominal wall thickness (+ or -10 percent) (16 gauge), 20 foot or 24 foot mill lengths.

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

Table V-5
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		Mexico			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2017:								
Jan.-Mar.	932.01	13,602	***	***	***	***	***	***
Apr.-June	909.55	13,843	***	***	***	***	***	***
July-Sept.	865.23	14,491	***	***	***	***	***	***
Oct.-Dec.	830.74	14,432	***	***	***	***	***	***
2018:								
Jan.-Mar.	997.24	17,702	***	***	***	***	***	***
Apr.-June	1,017.44	17,397	***	***	***	***	***	***
July-Sept.	1,045.62	16,669	***	***	***	***	***	***
Oct.-Dec.	1,033.44	16,506	***	***	***	***	***	***
2019:								
Jan.-Mar.	1,083.20	17,302	***	***	***	***	***	***
Apr.-June	975.26	18,071	***	***	***	***	***	***
July-Sept.	875.29	18,446	***	***	***	***	***	***
Oct.-Dec.	840.07	16,481	***	***	***	***	***	***

Table continued on next page.

Table V-5--Continued
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

* * * * * * *

Note: Product 3: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), hot-rolled, not pickled and oiled, 11 gauge or 0.120 inch +/- 10% wall, three inch square to four inches square, or in rectangular circumferences of 12 inches to 16 inches, lengths of 20 to 24 feet.

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

Table V-6
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

* * * * * * *

Table continued on next page.

Table V-6--Continued
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

* * * * * * *

Note: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, galvanized, 2.5 inch square, 0.083 nominal wall thickness (+ or – 10 percent) (14 gauge), lengths of 20 to 24 feet.

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

Figure V-1
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarter, January 2017 through December 2019

* * * * * * *

Note: Product 1: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), carbon welded, not pickled and oiled, 2 inch square, 0.120 inch (+ or -10 percent) wall thickness (11 gauge), 20 foot or 24 foot lengths.

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

Figure V-2
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarter, January 2017 through December 2019

* * * * * * *

Note: Product 2: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, 1 inch square, 0.065 inch nominal wall thickness (+ or -10 percent) (16 gauge), 20 foot or 24 foot mill lengths.

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

Figure V-3
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarter, January 2017 through December 2019

* * * * * * *

Note: Product 3: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), hot-rolled, not pickled and oiled, 11 gauge or 0.120 inch +/- 10% wall, three inch square to four inches square, or in rectangular circumferences of 12 inches to 16 inches, lengths of 20 to 24 feet.

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

Figure V-4
LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarter, January 2017 through December 2019

* * * * * * *

Note: Product 4: ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, galvanized, 2.5 inch square, 0.083 nominal wall thickness (+ or – 10 percent) (14 gauge), lengths of 20 to 24 feet.

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

Price trends

In general, prices fluctuated during 2017-19. Prices for LWR pipe and tube generally increased from the first quarter 2017 to the last quarter 2018. U.S. producer *** reported that this price increase was caused by the imposition of section 232 tariffs, which caused a price increase in the first quarter of 2018. Prices for LWR pipe and tube began to fall in the last quarter of 2018 and first quarter of 2019, and continued to decline throughout the remainder of 2019. For U.S. producers, prices in the last quarter of 2019 were above the price in the first quarter of 2017 for one pricing product (***) and below the first quarter of 2017 for the other two products (***). Prices for LWR pipe and tube imported from Mexico in the last quarter of 2019 were above the price of the first quarter of 2017 for three pricing products (***) and below the first quarter of 2017 for the remaining one product (***).

Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price decreases ranged from *** to *** percent, and increases ranged from *** to *** percent during 2017-19. Price increases of LWR pipe and tube imported from Mexico ranged from *** to *** percent for products 1-3 and decreased by *** percent for product 4.

Table V-7
LWR pipe and tube: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and subject countries, January 2017 through December 2019

* * * * * * *

[1] First quarter to last quarter, if available.

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

Purchasers were asked to report if the prices of LWR pipe and tube had changed in the United States and each of the subject countries since 2014. All responding purchasers reported that the price for LWR pipe and tube had changed in the United States and each of the subject countries. Half of the responding purchasers reported that the price of U.S.-produced LWR pipe and tube had increased. One purchaser each reported that the price of U.S.-produced LWR pipe and tube had remained unchanged, increased, and decreased since 2014.

Purchasers were then asked how the prices of LWR pipe and tube from the United States had changed relative to the prices of LWR pipe and tube from China, Korea, Mexico, and Turkey. Two purchasers reported that the price of U.S.-produced LWR pipe and tube remained unchanged, two purchasers reported that the price had increased, and one purchaser reported

that the price had decreased relative to the price of LWR pipe and tube produced in Mexico. Two purchasers reported that the price of U.S.-produced LWR pipe and tube had remained constant, one purchaser reported that the price had increased, and one purchaser reported that the price had decreased relative to the price of LWR pipe and tube produced in Turkey.

Price comparisons

As shown in table V-8 prices for LWR pipe and tube imported from Mexico were below those for U.S.-produced product in *** of *** instances; margins of underselling ranged from *** to *** percent. In the remaining *** instances, prices for LWR pipe and tube from Mexico were between *** and *** percent above prices for the domestic product. Prices for LWR pipe and tube imported from Turkey were below those for U.S.-produced product in *** of *** instances; margins of underselling ranged from *** to *** percent. In the remaining *** instances, prices for LWR pipe and tube from Turkey were *** to *** percent above prices for the domestic product. There were *** total instances of underselling from all subject countries; margins of underselling ranged from *** to ***. In the remaining *** instances, prices for LWR pipe and tube ranged from *** to *** percent (table V-8).

Table V-8
LWR pipe and tube: Instances of underselling/overselling and the range and average of margins, by product, 2017-19

* * * * * * *

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

Table V-9
LWR pipe and tube: Instances of underselling/overselling and the range and average of margins, by country, 2017-19

* * * * * * *

Note: In the original investigations, subject imports from China were priced lower than domestic product in 32 of 35 comparisons, with underselling margins ranging from 14.9 to 25.2 percent; subject imports from Korea were priced lower than domestic product in 45 of 49 comparisons, with underselling margins ranging from 9.9 to 20.6 percent; and subject imports from Mexico were priced lower than domestic product in 42 of 51 comparisons, with underselling margins ranging from 9.2 to 10.0 percent; subject imports from Turkey were priced lower than domestic product in 24 of 24 comparisons, with underselling margins ranging from 14.6 to 26.7 percent. *LWR pipe and tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Final)*, USITC Publication INV-FF-049, May 2008, p. V-21. In the first review subject imports from Mexico were lower than domestic product in 72 of 83 instances, with underselling margins ranging from 0.1 to 26.1; subject imports from Turkey were priced lower than domestic product in 29 of 36 comparisons with underselling margins ranging from 0.3 to 34.0 percent. *Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Review*), USITC Publication 4470, June 2013, p. V-16.

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

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 18577, May 1, 2019	*Commission's institution of five-year reviews*	https://www.govinfo.gov/content/pkg/FR-2019-05-01/pdf/2019-08670.pdf
84 FR 18477, May 1, 2019	*Commerce's initiation of five-year reviews*	https://www.govinfo.gov/content/pkg/FR-2019-05-01/pdf/2019-08825.pdf
84 FR 44330, August 23, 2019	*Commission's determinations to conduct full five-year reviews*	https://www.govinfo.gov/content/pkg/FR-2019-08-23/pdf/2019-18171.pdf
84 FR 44849, August 27, 2019	*Commerce's final results of expedited five-year reviews of the antidumping duty order*	https://www.govinfo.gov/content/pkg/FR-2019-08-27/pdf/2019-18373.pdf
84 FR 45726, August 30, 2019	*Commerce's final results of expedited five-year reviews of the countervailing duty order*	https://www.govinfo.gov/content/pkg/FR-2019-08-30/pdf/2019-18830.pdf
85 FR 3717, January 22, 2020	*Light-Walled Rectangular Pipe and Tube From China, Korea, Mexico, and Turkey Scheduling of Full Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2020-01-22/pdf/2020-00985.pdf
85 FR 31550, May 26, 2020	*Light-Walled Rectangular Pipe and Tube From China, Korea, Mexico, and Turkey; Cancellation of Hearing for Second Full Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2020-05-26/pdf/2020-11156.pdf

Note.–
A summary of the Commission's votes concerning adequacy and the conduct of a full or expedited review can be found at:
https://www.usitc.gov/investigations/701731/2019/light_walled_rectangular_pipe_and_tube_china_korea/second_review_full.htm
The Commission's explanation of its determinations can be found at:
https://www.usitc.gov/investigations/701731/2019/light_walled_rectangular_pipe_and_tube_china_korea/second_review_full.htm

APPENDIX B

NOTICE OF HEARING CANCELATION

May 8, 2020

USITC Invs. No. 701-TA-449 and 731-TA-1118-1121 (Second Review)
Total Pages: 3
Public Document

The Honorable Lisa R. Barton
Secretary
U.S. International Trade Commission
500 E Street, S.W., Room 112
Washington, D.C. 20436

Re: ***Light-Walled Rectangular Pipe and Tube From China, Korea, Mexico, and Turkey, Inv. Nos. 701-TA-449 and 731-TA-1118-1121 (Second Review)*: Request to Cancel Hearing**

Dear Madam Secretary:

On behalf of Atlas Tube; Bull Moose Tube Company; California Steel and Tube; Hannibal Industries; Nucor Tubular Products Inc.; Searing Industries; and Wheatland Tube Company (collectively "Domestic Producers"), domestic producers of light-walled rectangular pipe and tube ("LWR") and interested parties in this review, we respectfully request that the Commission cancel the hearing in this review, currently scheduled for May 14, 2020. This hearing is no longer necessary, as Domestic Producers are now unopposed in this review. Certain Mexican producers represented to the Commission that they would fully participate in this review to the best of their ability and argued that a full review was necessary to address what they claimed were changes to the scope of the orders.[1] However, no party other than the

[1] *See Maquilacero S.A. de C.V. and Regiomontana de Perfiles y Tubas, S.A de C.V. Substantive Response* (May 31, 2019) at 2, 10.

Domestic Producers filed a prehearing brief with the Commission, and it appears the Mexican producers have abandoned their arguments and are no longer participating in this review.

The Domestic Producers submitted a comprehensive prehearing brief and will fully participate in a hearing and provide witness testimony statements if the Commission believes that this is necessary. However, given the current lack of participation by respondent parties in this review, we believe that the hearing is unnecessary. Domestic Producers are happy to submit written answers to any questions the Commission may have in their post-hearing brief.

Should the Commission determine that a hearing is necessary, we ask that Domestic Producers be notified as soon as practicable and allowed to submit witness statements.[2]

Thank you for your attention to this matter, and please contact the undersigned with any questions.

Respectfully submitted,

/s/ Elizabeth J. Drake
Roger B. Schagrin
Elizabeth J. Drake
Nicholas J. Birch
Kelsey M. Rule
SCHAGRIN ASSOCIATES
900 Seventh Street NW
Suite 500
Washington, DC 20001
(202) 223-1700
Counsel to Atlas Tube; Bull Moose Tube Company; California Steel and Tube; Hannibal Industries; Searing Industries; and Wheatland Tube Company

/s/ Alan H. Price
Alan H. Price
Robert E. DeFrancesco, III
Jake R. Frischknecht
WILEY REIN LLP
1776 K Street NW
Washington, DC 20006
(202) 719-7000
Counsel to Nucor Tubular Products Inc.

[2] Witness statements are currently due today, May 8, 2020. *See* the Commission's May 5, 2020 letter. If the Commission decides to proceed with a hearing, Domestic Producers are prepared to submit witness statements later today.

APPENDIX C

SUMMARY DATA

Table C-1
LWR pipe and tube: Summary data concerning the U.S. market, 2017-19

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Comparison years		
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. consumption quantity:						
Amount	***	***	***	▼***	▲***	▼***
Producers' share (fn1)	***	***	***	▲***	▲***	▲***
Importers' share (fn1):						
China	***	***	***	▼***	▼***	▲***
Korea	***	***	***	▲***	▲***	▼***
Mexico	***	***	***	▼***	▼***	▼***
Turkey	***	***	***	▼***	▼***	▼***
Subject sources	***	***	***	▼***	▼***	▼***
Nonsubject sources	***	***	***	▼***	▼***	▼***
All import sources	***	***	***	▼***	▼***	▼***
U.S. consumption value:						
Amount	***	***	***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	▲***	▼***	▲***
Importers' share (fn1):						
China	***	***	***	▼***	▼***	▲***
Korea	***	***	***	▲***	▲***	▼***
Mexico	***	***	***	▼***	▲***	▼***
Turkey	***	***	***	▼***	▼***	▼***
Subject sources	***	***	***	▼***	▲***	▼***
Nonsubject sources	***	***	***	▼***	▼***	▼***
All import sources	***	***	***	▼***	▲***	▼***
U.S. imports from:						
China:						
Quantity	465	274	380	▼(18.1)	▼(41.1)	▲39.0
Value	803	520	738	▼(8.1)	▼(35.3)	▲42.1
Unit value	$1,729	$1,900	$1,942	▲12.3	▲9.9	▲2.2
Ending inventory quantity	***	***	***	***	***	***
Korea:						
Quantity	17	55	20	▲17.5	▲220.4	▼(63.3)
Value	18	83	21	▲16.4	▲364.7	▼(75.0)
Unit value	$1,048	$1,520	$1,038	▼(1.0)	▲45.0	▼(31.7)
Ending inventory quantity	***	***	***	***	***	***
Mexico:						
Quantity	105,640	99,294	85,630	▼(18.9)	▼(6.0)	▼(13.8)
Value	83,698	105,480	75,116	▼(10.3)	▲26.0	▼(28.8)
Unit value	$792	$1,062	$877	▲10.7	▲34.1	▼(17.4)
Ending inventory quantity	***	***	***	▲***	▲***	▼***
Turkey:						
Quantity	14,801	10,893	1,114	▼(92.5)	▼(26.4)	▼(89.8)
Value	9,400	9,499	1,095	▼(88.4)	▲1.0	▼(88.5)
Unit value	$635	$872	$983	▲54.8	▲37.3	▲12.8
Ending inventory quantity	***	***	***	▼***	▼***	▼***
Subject sources:						
Quantity	120,923	110,515	87,144	▼(27.9)	▼(8.6)	▼(21.1)
Value	93,920	115,581	76,970	▼(18.0)	▲23.1	▼(33.4)
Unit value	$777	$1,046	$883	▲13.7	▲34.7	▼(15.5)
Ending inventory quantity	***	***	***	▼***	▲***	▼***
Nonsubject sources:						
Quantity	127,606	128,420	109,496	▼(14.2)	▲0.6	▼(14.7)
Value	115,322	141,843	108,998	▼(5.5)	▲23.0	▼(23.2)
Unit value	$904	$1,105	$995	▲10.1	▲22.2	▼(9.9)
Ending inventory quantity	***	***	***	▲***	▲***	▼***

Table C-1--Continued
LWR pipe and tube: Summary data concerning the U.S. market, 2017-19

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Comparison years		
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. imports from:--Continued						
All import sources:						
Quantity	248,529	238,935	196,640	▼(20.9)	▼(3.9)	▼(17.7)
Value	209,242	257,424	185,968	▼(11.1)	▲23.0	▼(27.8)
Unit value	$842	$1,077	$946	▲12.3	▲28.0	▼(12.2)
Ending inventory quantity	***	***	***	▼***	▲***	▼***
U.S. producers':						
Average capacity quantity	***	***	***	▲***	▲***	▲***
Production quantity	***	***	***	▲***	▲***	▲***
Capacity utilization (fn1)	***	***	***	▲***	▲***	▼***
U.S. shipments:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Export shipments:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▼***	▼***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Inventories/total shipments (fn1)	***	***	***	▲***	▲***	▼***
Production workers	***	***	***	▲***	▲***	▲***
Hours worked (1,000s)	***	***	***	▲***	▲***	▼***
Wages paid ($1,000)	***	***	***	▲***	▲***	▲***
Hourly wages	***	***	***	▲***	▲***	▲***
Productivity (short tons per hour)	***	***	***	▼***	▼***	▲***
Unit labor costs	***	***	***	▲***	▲***	▲***
Net sales:						
Quantity	541,146	559,248	572,015	▲5.7	▲3.3	▲2.3
Value	484,473	595,470	550,862	▲13.7	▲22.9	▼(7.5)
Unit value	$895	$1,065	$963	▲7.6	▲18.9	▼(9.6)
Cost of goods sold (COGS)	413,991	502,241	501,107	▲21.0	▲21.3	▼(0.2)
Gross profit of (loss) (fn2)	70,482	93,229	49,755	▼(29.4)	▲32.3	▼(46.6)
SG&A expenses	50,523	46,039	43,365	▼(14.2)	▼(8.9)	▼(5.8)
Operating income or (loss) (fn2)	19,959	47,190	6,390	▼(68.0)	▲136.4	▼(86.5)
Net income or (loss) (fn2)	15,575	43,159	948	▼(93.9)	▲177.1	▼(97.8)
Capital expenditures	11,123	16,105	10,616	▼(4.6)	▲44.8	▼(34.1)
R&D expenses	***	***	***	▲***	▼***	▲***
Net assets	347,655	428,489	476,637	▲37.1	▲23.3	▲11.2
Unit COGS	$765	$898	$876	▲14.5	▲17.4	▼(2.5)
Unit SG&A expenses	$93	$82	$76	▼(18.8)	▼(11.8)	▼(7.9)
Unit operating income or (loss) (fn2)	$37	$84	$11	▼(69.7)	▲128.8	▼(86.8)
Unit net income or (loss) (fn2)	$29	$77	$2	▼(94.2)	▲168.1	▼(97.9)
COGS/sales (fn1)	85.5	84.3	91.0	▲5.5	▼(1.1)	▲6.6
Operating income or (loss)/sales (fn1)	4.1	7.9	1.2	▼(3.0)	▲3.8	▼(6.8)
Net income or (loss)/sales (fn1)	3.2	7.2	0.2	▼(3.0)	▲4.0	▼(7.1)

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Shares preceded by a "▲" represent an increase, while shares preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7306.61.5000 and 7306.61.7060, accessed March 26, 2020.

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS

Table C-1
LWRPT: Summary data concerning the U.S. market, 2008-13
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Report data						Period changes				
	Calendar year						Comparison periods				
	2008	2009	2010	2011	2012	2013	2008-13	2008-09	2009-10	2010-11	2011-12
U.S. consumption quantity:											
Amount	622,369	465,200	532,363	553,036	611,965	674,043	8.3	(25.3)	14.4	3.9	10.7
Producers' share (fn1)	72.1	75.4	77.3	78.7	78.6	76.8	4.7	3.4	1.9	1.4	(0.1)
Importers' share (fn1):											
China	0.1	0.0	0.0	0.1	0.0	0.0	(0.1)	(0.1)	0.0	0.0	(0.0)
Korea	***	***	***	0.0	0.0	0.0	***	***	***	***	0.0
Mexico	18.5	14.7	12.7	11.0	10.6	12.3	(6.2)	(3.8)	(2.0)	(1.7)	(0.4)
Turkey	0.0	0.0	0.0	0.1	1.0	0.3	0.3	0.0	(0.0)	0.1	0.9
Subject Countries	***	***	***	11.2	11.6	12.6	***	***	***	***	0.4
All others sources, nonsubject	***	***	***	10.2	9.9	10.6	***	***	***	***	(0.3)
Total imports	27.9	24.6	22.7	21.3	21.4	23.2	(4.7)	(3.4)	(1.9)	(1.4)	0.1
U.S. consumption value:											
Amount	714,394	378,733	494,233	598,987	625,353	653,960	(8.5)	(47.0)	30.5	21.2	4.4
Producers' share (fn1)	74.3	78.2	79.0	79.8	80.1	78.6	4.4	3.9	0.9	0.8	0.3
Importers' share (fn1):											
China	0.1	0.0	0.0	0.1	0.1	0.0	(0.1)	(0.1)	0.0	0.0	(0.0)
Korea	***	***	***	0.0	0.0	0.0	***	***	***	***	0.0
Mexico	16.2	11.8	10.7	9.5	8.8	10.2	(5.9)	(4.4)	(1.1)	(1.2)	(0.7)
Turkey	0.0	0.0	0.0	0.1	0.8	0.3	0.3	0.0	(0.0)	0.1	0.7
Subject Countries	***	***	***	9.7	9.7	10.5	***	***	***	***	(0.0)
All others sources, nonsubject	***	***	***	10.5	10.2	10.8	***	***	***	***	(0.2)
Total imports	25.7	21.8	21.0	20.2	19.9	21.4	(4.4)	(3.9)	(0.9)	(0.8)	(0.3)
U.S. Imports from:											
China:											
Quantity	687	31	109	277	282	126	(81.6)	(95.5)	250.4	154.3	1.7
Value	627	74	235	438	350	144	(77.0)	(88.2)	219.7	86.3	(20.2)
Unit value	$912.17	$2,368.82	$2,161.17	$1,582.88	$1,241.84	$1,139.02	24.9	159.7	(8.8)	(26.8)	(21.5)
Ending inventory quantity	0	0	0	0	0	0	fn2	fn2	fn2	fn2	fn2
Korea:											
Quantity	***	***	***	0	0	0	***	***	***	***	fn2
Value	***	***	***	0	0	0	***	***	***	***	fn2
Unit value	***	***	***	fn3	fn3	fn3	***	***	***	***	fn2
Ending inventory quantity	***	***	***	0	0	0	***	***	***	***	fn2
Mexico:											
Quantity	115,179	68,311	67,692	60,925	64,684	82,710	(28.2)	(40.7)	(0.9)	(10.0)	6.2
Value	115,638	44,664	52,906	57,051	55,172	66,982	(42.1)	(61.4)	18.5	7.8	(3.3)
Unit value	$1,003.98	$653.84	$781.58	$936.43	$852.95	$809.85	(19.3)	(34.9)	19.5	19.8	(8.9)
Ending inventory quantity	0	0	0	0	0	0	fn2	fn2	fn2	fn2	fn2
Turkey:											
Quantity	0	36	0	564	5,920	2,101	fn2	fn2	(100.0)	fn2	949.3
Value	0	24	0	507	4,831	1,836	fn2	fn2	(100.0)	fn2	852.9
Unit value	fn3	$649.82	fn3	$898.67	$816.11	$873.56	fn2	fn2	fn2	fn2	(9.2)
Ending inventory quantity	258	170	66	52	1,711	1,290	400.0	(34.1)	(61.2)	(21.2)	3,190.4
Subject Countries:											
Quantity	***	***	***	61,766	70,885	84,937	***	***	***	***	14.8
Value	***	***	***	57,997	60,353	68,962	***	***	***	***	4.1
Unit value	***	***	***	$938.98	$851.42	$811.91	***	***	***	***	(9.3)
Ending inventory quantity	***	***	***	52	1,711	1,290	***	***	***	***	3,190.4
All other sources, nonsubject:											
Quantity	***	***	***	56,148	60,298	71,756	***	***	***	***	7.4
Value	***	***	***	62,823	64,025	70,782	***	***	***	***	1.9
Unit value	***	***	***	$1,118.87	$1,061.80	$986.43	***	***	***	***	(5.1)
Ending inventory quantity	***	***	***	164	197	308	***	***	***	***	20.1
Total imports:											
Quantity	173,888	114,234	120,731	117,914	131,183	156,693	(9.9)	(34.3)	5.7	(2.3)	11.3
Value	183,896	82,603	103,553	120,820	124,378	139,744	(24.0)	(55.1)	25.4	16.7	2.9
Unit value	$1,057.56	$723.10	$857.72	$1,024.64	$948.12	$891.83	(15.7)	(31.6)	18.6	19.5	(7.5)
Ending inventory quantity	1,595	170	123	216	1,908	1,598	0.2	(89.3)	(27.6)	75.6	783.3
U.S. producers':											
Average capacity quantity	1,110,314	1,081,371	1,089,411	1,141,536	1,109,604	1,131,083	1.9	(2.6)	0.7	4.8	(2.8)
Production quantity	470,375	367,451	448,691	472,564	502,426	540,664	14.9	(21.9)	22.1	5.3	6.3
Capacity utilization (fn1)	42.4	34.0	41.2	41.4	45.3	47.8	5.4	(8.4)	7.2	0.2	3.9
U.S. shipments:											
Quantity	448,481	350,966	411,632	435,122	480,782	517,350	15.4	(21.7)	17.3	5.7	10.5
Value	530,498	296,130	390,680	478,167	500,975	514,216	(3.1)	(44.2)	31.9	22.4	4.8
Unit value	$1,182.88	$843.76	$949.10	$1,098.93	$1,042.00	$993.94	(16.0)	(28.7)	12.5	15.8	(5.2)
Export shipments:											
Quantity	23,179	15,002	20,591	24,590	29,435	27,266	17.6	(35.3)	37.3	19.4	19.7
Value	27,384	13,352	19,515	26,373	31,185	27,918	2.0	(51.2)	46.2	35.1	18.2
Unit value	$1,181.41	$890.01	$947.74	$1,072.51	$1,059.45	$1,023.91	(13.3)	(24.7)	6.5	13.2	(1.2)
Ending inventory quantity	68,574	68,290	84,699	97,742	90,177	85,212	24.3	(0.4)	24.0	15.4	(7.7)
Inventories/total shipments (fn1)	14.5	18.7	19.6	21.3	17.7	15.6	1.1	4.1	0.9	1.7	(3.6)
Production workers	876	779	800	857	879	976	11.4	(11.1)	2.7	7.1	2.6
Hours worked (1,000s)	1,923	1,605	1,741	1,931	1,997	2,198	14.3	(16.5)	8.5	10.9	3.4
Wages paid ($1,000)	62,827	57,173	59,255	63,829	67,032	72,462	15.3	(9.0)	3.6	7.7	5.0
Productivity (short tons per 1,000 hours)	244.6	228.9	257.7	244.7	251.6	246.0	0.6	(6.4)	12.6	(5.0)	2.8
Unit labor costs	$133.57	$155.59	$132.06	$135.07	$133.42	$134.02	0.3	16.5	(15.1)	2.3	(1.2)
Net Sales:											
Quantity	480,053	369,862	426,764	453,226	501,480	546,511	13.8	(23.0)	15.4	6.2	10.6
Value	546,642	321,192	399,436	488,907	516,553	533,566	(2.4)	(41.2)	24.4	22.4	5.7
Unit value	$1,138.71	$868.41	$935.96	$1,078.73	$1,030.06	$976.31	(14.3)	(23.7)	7.8	15.3	(4.5)
Cost of goods sold (COGS)	454,994	305,308	357,052	405,077	444,447	463,763	1.9	(32.9)	16.9	13.5	9.7
Gross profit of (loss)	91,648	15,884	42,384	83,830	72,106	69,803	(23.8)	(82.7)	166.8	97.8	(14.0)
SG&A expenses	35,851	23,953	27,305	30,739	33,980	35,714	(0.4)	(33.2)	14.0	12.6	10.5
Operating income or (loss)	55,797	(8,069)	15,079	53,091	38,126	34,089	(38.9)	fn2	fn2	252.1	(28.2)
Capital expenditures	12,320	9,905	13,621	11,846	10,444	8,050	(34.7)	(19.6)	37.5	(13.0)	(11.8)
Unit COGS	$947.80	$825.46	$836.65	$893.76	$886.27	$848.59	(10.5)	(12.9)	1.4	6.8	(0.8)
Unit SG&A expenses	$74.68	$64.76	$63.98	$67.82	$67.76	$65.35	(12.5)	(13.3)	(1.2)	6.0	(0.1)
Unit operating income or (loss)	$116.23	-$21.82	$35.33	$117.14	$76.03	$62.38	(46.3)	fn2	fn2	231.5	(35.1)
COGS/sales (fn1)	83.2	95.1	89.4	82.9	86.0	86.9	3.7	11.8	(5.7)	(6.5)	3.2
Operating income or (loss)/sales (fn1)	10.2	(2.5)	3.8	10.9	7.4	6.4	(3.8)	(12.7)	6.3	7.1	(3.5)

Notes:

fn1.--Report data are in percent and period changes are in percentage points.
fn2.--Undefined.
fn3.--Not applicable.

Table C-1
LWR pipe & tube: Summary data concerning the U.S. market, 2005-07

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

	Reported data			Period changes		
Item	2005	2006	2007	2005-07	2005-06	2006-07
U.S. consumption quantity:						
Amount	962,225	1,025,684	894,973	-7.0	6.6	-12.7
Producers' share (1)	65.1	60.8	64.8	-0.3	-4.3	4.0
Importers' share (1):						
China	4.2	8.0	9.9	5.8	3.8	2.0
Korea (subject)	***	***	***	***	***	***
Mexico	16.2	14.1	15.7	-0.5	-2.1	1.6
Turkey	3.2	5.5	1.6	-1.6	2.3	-3.8
Subtotal (subject)	***	***	***	***	***	***
Canada	7.9	6.9	5.5	-2.5	-1.0	-1.5
Korea (nonsubject)	***	***	***	***	***	***
All other sources	1.1	1.7	0.6	-0.5	0.6	-1.1
Subtotal (nonsubject)	***	***	***	***	***	***
Total imports	34.9	39.2	35.2	0.3	4.3	-4.0
U.S. consumption value:						
Amount	834,193	869,323	730,480	-12.4	4.2	-16.0
Producers' share (1)	68.2	66.1	69.0	0.8	-2.2	2.9
Importers' share (1):						
China	3.2	5.5	7.2	4.0	2.2	1.8
Korea (subject)	***	***	***	***	***	***
Mexico	14.6	13.1	14.1	-0.6	-1.6	1.0
Turkey	2.8	4.1	1.3	-1.5	1.3	-2.8
Subtotal (subject)	***	***	***	***	***	***
Canada	8.3	7.5	5.9	-2.4	-0.7	-1.6
Korea (nonsubject)	***	***	***	***	***	***
All other sources	0.9	1.4	0.7	-0.2	0.4	-0.6
Subtotal (nonsubject)	***	***	***	***	***	***
Total imports	31.8	33.9	31.0	-0.8	2.2	-2.9
U.S. imports from:						
China:						
Quantity	39,945	81,657	88,879	122.5	104.4	8.8
Value	27,040	47,605	52,939	95.8	76.1	11.2
Unit value	$677	$583	$596	-12.0	-13.9	2.2
Ending inventory quantity	***	***	***	***	***	***
Korea (subject):						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Mexico:						
Quantity	156,263	144,925	140,938	-9.8	-7.3	-2.8
Value	122,203	113,714	102,713	-15.9	-6.9	-9.7
Unit value	$782	$785	$729	-6.8	0.3	-7.1
Ending inventory quantity	***	***	***	***	***	***
Turkey:						
Quantity	30,517	55,952	14,511	-52.4	83.3	-74.1
Value	23,264	35,584	9,192	-60.5	53.0	-74.2
Unit value	$762	$636	$633	-16.9	-16.6	-0.4
Ending inventory quantity	***	***	***	***	***	***
Subtotal (subject):						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
LWR pipe & tube: Summary data concerning the U.S. market, 2005-07

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

	Reported data			Period changes		
Item	2005	2006	2007	2005-07	2005-06	2006-07
U.S. imports from:						
Canada:						
Quantity	76,231	71,142	48,899	-35.9	-6.7	-31.3
Value	69,074	65,584	43,262	-37.4	-5.1	-34.0
Unit value	$906	$922	$885	-2.4	1.7	-4.0
Ending inventory quantity	***	***	***	***	***	***
Korea (nonsubject):						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	10,569	17,451	5,643	-46.6	65.1	-67.7
Value	7,586	11,778	5,298	-30.2	55.3	-55.0
Unit value	$718	$675	$939	30.8	-6.0	39.1
Ending inventory quantity	***	***	***	***	***	***
Subtotal (nonsubject):						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	336,258	402,295	315,414	-6.2	19.6	-21.6
Value	264,905	294,806	226,399	-14.5	11.3	-23.2
Unit value	$788	$733	$718	-8.9	-7.0	-2.1
Ending inventory quantity	***	***	***	***	***	***
U.S. producers':						
Average capacity quantity	964,957	947,858	902,385	-6.5	-1.8	-4.8
Production quantity	625,933	631,842	580,847	-7.2	0.9	-8.1
Capacity utilization (1)	64.9	66.7	64.4	-0.5	1.8	-2.3
U.S. shipments:						
Quantity	625,967	623,389	579,559	-7.4	-0.4	-7.0
Value	569,288	574,517	504,081	-11.5	0.9	-12.3
Unit value	$909	$922	$870	-4.4	1.3	-5.6
Export shipments:						
Quantity	4,635	7,547	9,241	99.4	62.8	22.4
Value	4,596	8,367	8,863	92.8	82.0	5.9
Unit value	$992	$1,109	$959	-3.3	11.8	-13.5
Ending inventory quantity	64,764	65,118	56,366	-13.0	0.5	-13.4
Inventories/total shipments (1)	10.3	10.3	9.6	-0.7	0.1	-0.7
Production workers	1,114	1,023	973	-12.7	-8.2	-4.9
Hours worked (1,000s)	1,993	1,822	1,682	-15.6	-8.6	-7.6
Wages paid ($1,000s)	33,854	33,343	31,485	-7.0	-1.5	-5.6
Hourly wages	$16.99	$18.30	$18.71	10.2	7.8	2.2
Productivity (tons/1,000 hours)	314.1	346.9	345.3	9.9	10.4	-0.5
Unit labor costs	$54.08	$52.77	$54.20	0.2	-2.4	2.7
Net sales:						
Quantity	591,721	586,896	549,260	-7.2	-0.8	-6.4
Value	539,809	542,437	481,378	-10.8	0.5	-11.3
Unit value	$912	$924	$876	-3.9	1.3	-5.2
Cost of goods sold (COGS)	452,240	444,888	418,199	-7.5	-1.6	-6.0
Gross profit or (loss)	87,569	97,549	63,179	-27.9	11.4	-35.2
SG&A expenses	33,990	35,853	32,310	-4.9	5.5	-9.9
Operating income or (loss)	53,579	61,696	30,869	-42.4	15.1	-50.0
Capital expenditures	12,015	8,738	9,281	-22.8	-27.3	6.2
Unit COGS	$764	$758	$761	-0.4	-0.8	0.4
Unit SG&A expenses	$57	$61	$59	2.4	6.3	-3.7
Unit operating income or (loss)	$91	$105	$56	-37.9	16.1	-46.5
COGS/sales (1)	83.8	82.0	86.9	3.1	-1.8	4.9
Operating income or (loss)/ sales (1)	9.9	11.4	6.4	-3.5	1.4	-5.0

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

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 data submitted in response to Commission questionnaires and official Commerce statistics with modificaitons.

APPENDIX D

FIRMS' NARRATIVES ON THE IMPACT OF THE ORDER AND THE LIKELY IMPACT OF THE REVOCATION

Table D-1
LWR pipe and tube: Firms' narratives on the impact of the order(s) and the likely impact of revocation.

Item / Firm	Narrative
U.S. producers: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

Table D-1—Continued
LWR pipe and tube: Firms' narratives on the impact of the order(s) and the likely impact of revocation.

Item / Firm	Narrative
U.S. producers: Effect of order:	
***	***
U.S. producers: Likely impact of revocation:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

Table D-1—Continued
LWR pipe and tube: Firms' narratives on the impact of the order(s) and the likely impact of revocation.

Item / Firm	Narrative
U.S. importers: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
U.S. importers: Likely impact of revocation of order:	
***	***
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

Table D-1—Continued
LWR pipe and tube: Firms' narratives on the impact of the order(s) and the likely impact of revocation.

U.S. purchasers: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
U.S. purchasers: Likely impact of revocation:	
***	***
***	***
***	***
Foreign producers or exporters: Effect of order:	
***	***
***	***
***	***
***	***
***	***
Foreign producers or exporters: Likely effect of revocation of order:	
***	***

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

APPENDIX E

SECTION 301 PROCEEDINGS AND SECTION 232 PROCLAMATIONS

Table E-1
Section 301 actions: Office of the United States Trade Representative ("USTR") proceedings, 2018-20.

Product list	Effective date	Action
Tranche 1	July 6, 2018	**Enacted:** Additional 25 percent ad valorem duties on approximately $34 billion of imports classifiable under 818 HTS tariff subheadings (Annex A to 83 FR 28710).[1]
Tranche 2	August 23, 2018	**Enacted:** Additional 25 percent ad valorem duties on approximately $16 billion of imports classifiable under 279 HTS tariff subheadings (Annex A to 83 FR 40823).[2]
Tranche 3	September 24, 2018	**Enacted:** Additional 10 percent ad valorem duties on approximately $200 billion of imports classifiable under 5,745 HTS tariff subheadings and partial subheadings (Annex A to 83 FR 47974), which are scheduled to increase to 25 percent on January 1, 2019 (Annex B to 83 FR 47974).[3]
Tranche 3	October 1, 2018	**Amendment:** Fourteen HTS tariff subheadings in chapter 44 (under Annex A to 83 FR 47974, September 21, 2018) were removed and replaced by 38 corresponding new HTS subheadings to conform to the International Convention on the Harmonized Commodity Description and Coding System.[4]
Tranche 3	March 2, 2019	**Postponed:** Duty increases from 10 percent to 25 percent were rescheduled (83 FR 65198).[5]
Tranche 3	Not applicable	**Postponed:** Additional ad valorem duties to remain at 10 percent until further notice (84 FR 7966).[6]
Tranche 3	May 10, 2019	**Enacted:** Duty increases from 10 percent to 25 percent ad valorem were rescheduled (84 FR 20459).[7]
Tranche 3	Prior to June 1, 2019	**Enacted:** Delayed duty increases from 10 percent to 25 percent ad valorem enacted May 10, 2019 on certain products exported from China before May 10, 2019, that enter into the United States before June 1, 2019 (84 FR 21892).[8]
Tranche 3	Prior to June 15, 2019	**Enacted:** The date was extended for the delayed duty increase from 10 percent to 25 percent ad valorem on certain products exported from China before May 10, 2019 that enter into the United States before June 15, 2019 (84 FR 26930).[9]
Tranche 4, List 1	September 1, 2019	**Enacted:** Additional 10 percent ad valorem duties on imports classifiable under 3,229 full HTS tariff subheadings and 4 partial HTS subheadings (Annexes A and B to 84 FR 43304). Imports on products classifiable under HTS subheadings on lists 1 and 2 totaled approximately $300 billion.[10]
Tranche 4, List 2	December 15, 2019	**Enacted:** Additional 10 percent ad valorem duties on imports classifiable under 542 full HTS tariff subheadings and 8 partial HTS subheadings (Annexes C and D to 84 FR 43304). Imports on products classifiable under HTS subheadings on lists 1 and 2 totaled approximately $300 billion.[10]
Tranche 4, List 1	September 1, 2019	**Amendment:** Additional 10 percent ad valorem duties were increased to 15 percent ad valorem on products covered by Annex A (84 FR 45821).[11]
Tranche 4, List 2	December 15, 2019	**Amendment:** Additional 10 percent ad valorem duties were increased to 15 percent ad valorem on products covered by Annex C (84 FR 45821).[11]
Tranches 1, 2, and 3	October 1, 2019	**Proposed:** Additional 25 percent ad valorem duties to be increased 30 percent ad valorem on products covered by Annex C – List 3, Part 1 (84 FR 46212).[12]

Table E-1—Continued
Section 301 actions: Office of the United States Trade Representative ("USTR") proceedings, 2018-20.

Product list	Effective date	Action
Tranche 4, List 2	December 15, 2019	**Amendment:** Additional 15 percent ad valorem duties to be suspended on products covered by List 2 (84 FR 69447).[13]
Tranche 4, List 1	February 14, 2020	**Amendment:** Additional 15 percent ad valorem duties to be reduced to 7.5 percent on product covered by List 1 (85 FR 3741).[14]

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

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

[3] USTR, *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.

[4] USTR, *Conforming Amendment and Modification to Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 49153, September 28, 2018.

[5] USTR, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 65198, December 19, 2018.

[6] USTR, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 7966, March 5, 2019.

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

[8] USTR, *Implementing Modification to Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 21892, May 15, 2019

[9] USTR, *Additional Implementing Modification to Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation,* 84 FR 26930, June 10, 2019.

[10] USTR, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 43304, August 20, 2019.

[11] USTR, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 45821, August 30, 2019.

[12] USTR, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 46212, September 3, 2019.

[13] USTR, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 69447, December 18, 2019. Amendment of the additional 15 percent ad valorem duties on products covered by List 1 to be announced in a subsequent notice published in the *Federal Register*.

[14] USTR, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 85 FR 3741, January 22, 2020.

Table E-2
Section 232 actions: Presidential proclamations, 2017-19

Effective date	Action
April 19, 2017	Commerce announced the institution of an investigation, by its U.S. Bureau of Industry and Security ("BIS") into the potential impact of imported steel mill products on national security (82 FR 19205).[1]
January 11, 2018	The Secretary of Commerce submitted the BIS Section 232 steel imports report to the President.[2]
March 23, 2018	The President announced the imposition of 25 percent ad valorem national-security duties on U.S. steel imports. Initially exempted— Canada and Mexico (83 FR 11625).[3]
March 23 through May 1, 2018	**Adjustment:** Exempted— Argentina, Australia, Brazil, Canada, the European Union ("EU") member states, Korea, and Mexico (83 FR 13361).[4]
May 1 through June 1, 2018	**Adjustment:** Exemptions continued with annual quota limits— Argentina, Brazil, and Korea. Exemptions not continued— Canada, Mexico, and EU member states (83 FR 20683, 83 FR 25857).[5]
August 13, 2018	**Adjustment:** Exemptions continued— Argentina, Australia, Brazil, and Korea. Duty rate doubled to 50 percent ad valorem— Turkey (83 FR 40429).[6]
May 20, 2019	**Adjustment:** Exemptions reinstated— Canada and Mexico (84 FR 23987).[7]
May 21, 2019	**Adjustment:** Duty rate reduced from 50 percent back to 25 percent ad valorem— Turkey (84 FR 23421).[8]

[1] *Notice Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Steel*, April 17, 2017, 82 FR 19205, April 26, 2017.

[2] "Statement from the Department of Commerce on Submission of Steel Section 232 Report to the President," News Release January 11, 2018, https://www.commerce.gov/news/press-releases/2018/01/statement-department-commerce-submission-steel-section-232-report.

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

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

[5] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018; *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018. Continuation of the exemption for Australia, as of June 1, 2018, was included in subsequent Presidential Proclamation 9772, August 10, 2018.

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

[7] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9894, May 19, 2019, 84 FR 23987, May 23, 2019.

[8] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9886, May 16, 2019, 84 FR 23421, May 21, 2019.

APPENDIX F

PRODUCERS' ABILITY TO SHIFT PRODUCTION

Table F-1
LWR pipe and tube: Factors affecting ability to shift production of U.S. operations

Firm	Reported ability to shift production	Reported factors affecting ability to shift production
ACI	***	***
AK Tube	***	***
Atlas	***	***
Bull Moose	***	***
California	***	***
EXL Tube	***	***
Hanna	***	***
Hannibal	***	***
Maruichi	***	***
Nucor	***	***
Prolamsa	***	***
Searing	***	***
Vest	***	***

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

Table F-2
LWR pipe and tube: Factors affecting ability to shift production of foreign producer operations

Firm	Reported ability to shift production	Reported factors affecting ability to shift production
ArcelorMittal Monterrey	***	***
Arco Metal	***	***
Maquilacero	***	***
Nacional	***	***
Prolamsa	***	***
Regiomontana	***	***

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