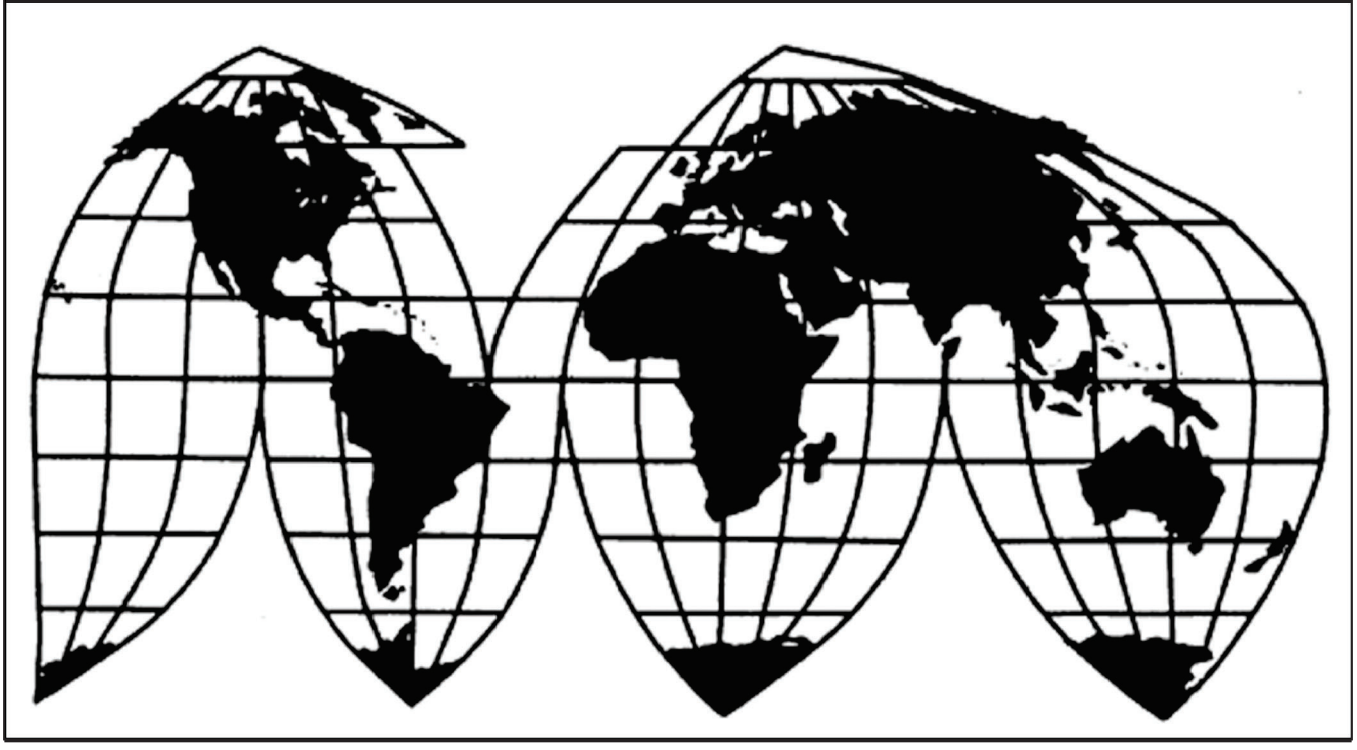
# Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Czechia, Korea, Russia, and Ukraine

Investigation Nos. 701-TA-654-655 and 731-TA-1529-1532 (Preliminary)

**Publication 5114** **August 2020**

**U.S. International Trade Commission**



**Washington, DC 20436**

# U.S. International Trade Commission

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**Washington, DC 20436**

# U.S. International Trade Commission

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**UNITED STATES INTERNATIONAL TRADE COMMISSION**

Investigation Nos. 701-TA-654-655 and 731-TA-1529-1532 (Preliminary)

Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Czechia, Korea, Russia, and Ukraine

## DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of seamless carbon and alloy steel standard, line, and pressure pipe from Czechia, Korea, Russia, and Ukraine, provided for in subheadings 7304.19.10, 7304.19.50, 7304.31.60, 7304.39.00, 7304.51.50, 7304.59.60, and 7304.59.80 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value and alleged to be subsidized by the Governments of Korea and Russia.[2]

## COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act.

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

[2] *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the Czech Republic, the Republic of Korea, the Russian Federation, and Ukraine: Initiation of Less-Than-Fair-Value Investigations*; 85 FR 47176 (August 4, 2020) and *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the Republic of Korea and the Russian Federation: Initiation of Countervailing Duty Investigations*; 85 FR 47170 (August 4, 2020).

Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

**BACKGROUND**

On July 8, 2020, Vallourec Star, LP, Houston, Texas filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of imports of seamless carbon and alloy steel standard, line, and pressure pipe from Korea and Russia and LTFV imports of imports of seamless carbon and alloy steel standard, line, and pressure pipe from Czechia, Korea, Russia, and Ukraine. Accordingly, effective July 8, 2020, the Commission instituted countervailing duty investigation Nos. 701-TA-654-655 and antidumping duty investigation Nos. 731-TA-1529-1532 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference 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* of July 14, 2020 (85 FR 42431). The conference was held in Washington, DC, on July 29, 2020, and all persons who requested the opportunity were permitted to appear in person or by counsel.

## Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of seamless carbon and alloy steel standard, line, and pressure pipe ("SSLP pipe") from the Czech Republic ("Czechia"), Korea, Russia, and Ukraine that are allegedly sold in the United States at less than fair value and imports of the subject merchandise from Korea and Russia that are allegedly subsidized by the governments of Korea and Russia.

## I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

## II. Background

**Parties to the Investigations**. Vallourec Star, LP ("Vallourec" or "Petitioner") filed the petitions in these investigations on July 8, 2020. The Petitioner appeared at the staff conference[3] and submitted a postconference brief. United States Steel Corporation ("U.S. Steel"), a domestic producer, supports the petitions and also filed a postconference brief.[4]

A number of respondent entities participated in these investigations: North American Interpipe, Inc., an importer of subject merchandise from Ukraine, and Interpipe Ukraine, LLC, a foreign producer and exporter of subject merchandise (collectively "Interpipe"), participated in the staff conference and submitted a postconference brief; PJSC ChelPipe ("ChelPipe"), a foreign producer and exporter of subject merchandise in Russia submitted a postconference

[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[2] *American Lamb Co*., 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[3] In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission staff conducted its conference in these investigations via video conference and written witness testimony on July 29, 2020.

[4] U.S. Steel did not participate in the staff conference.

brief; the government of Ukraine also filed a postconference brief; and finally, TMK Group ("TMK"), an importer of subject merchandise from Russia, submitted a postconference brief.

**Data Coverage**. Except as noted, domestic industry data are based on questionnaire responses from six firms that accounted for *** of U.S. production of SSLP pipe in 2019.[5] U.S. imports are based on official import statistics under Harmonized Tariff Schedule ("HTS") statistical reporting numbers referenced in the scope of investigations, as well as U.S. importer questionnaires accounting for *** percent of U.S. imports of subject imports.[6] The Commission received several responses to its questionnaires from producers and/or exporters of subject merchandise, including three firms accounting for *** percent of subject imports from Czechia in 2019, two firms accounting for *** percent of subject imports from Russia in 2019,[7] and one firm accounting for *** percent of subject imports from Ukraine in 2019.[8] No producers and/or exporters of subject merchandise in Korea responded to the Commission's questionnaires.[9]

## III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[10] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[11] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[12]

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[5] Confidential Report, Memorandum INV-SS-101 (August 17, 2020) ("CR"), at I-4; Public Report, *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Czechia, Korea, Russia, and Ukraine*, Inv. Nos. 701-TA-654-655 and 731-TA-1529-1532, USITC Pub. 5114 (September 2020) ("PR") at I-4.

[6] CR/PR at I-4. Questionnaire responses from U.S. importers from subject sources account for *** percent of imports from Ukraine, *** percent of imports from Czechia, *** percent of imports from Korea, and *** percent of imports from Russia. *Id*. Official U.S. import statistics for Russia were adjusted to remove *** out of scope imports as reported in questionnaire responses. CR/PR at IV-1 n.6 and IV-3 n.7.

[7] This percentage is based on exports to the United States reported by these two Russian producers as a share of adjusted official import statistics. *Compare* CR/PR at Table IV-2 to Table VII-9. We note, however, these two Russian producers also reported in their questionnaire responses that they account for *** of overall production of SSLP pipe in Russia, and *** percent of exports from Russia to the United States. CR/PR at VII-14 & Table VII-7.

[8] CR/PR at VII-3, VII-14, and VII-21.

[9] CR/PR at VII-9.

[10] 19 U.S.C. § 1677(4)(A).

[11] 19 U.S.C. § 1677(4)(A).

[12] 19 U.S.C. § 1677(10).

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[13] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[14] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[15] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[16] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[17] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[18]

[13] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[14] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 717 (Fed. Cir. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[15] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington*, 747 F. Supp. at 748–52 (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

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

[17] *See*, *e.g.*, S. Rep. No. 96-249 at 90–91 (1979).

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

The Commission may, where appropriate, include domestic articles in the domestic like product definition in addition to those described in the scope.[19]

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as follows:

> … seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in nominal outside diameter, regardless of wall-thickness, manufacturing process (e.g., hot-finished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or "hollow profiles" suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials ("ASTM") or American Petroleum Institute ("API") specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusions discussed below.
>
> Specifically excluded from the scope of the investigations are: (1) all pipes meeting aerospace, hydraulic, and bearing tubing specifications, including pipe produced to the ASTM A-822 standard; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the investigation are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, i.e., outside diameter and wall thickness, of ASTM A-53, ASTM A-106 or API 5L specifications.
>
> Subject seamless standard, line, and pressure pipe are normally entered under HTSUS 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, 7304.59.8070. The HTSUS subheadings and

[19] *See*, *e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington,* 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, coextensive with the scope).

specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.[20]

SSLP pipe is used to convey various liquids and gases in industrial piping systems, including water, steam, petrochemicals, oil products, and natural gas.[21] SSLP pipe can be of varying specifications and uses. Seamless standard pipe is intended for the low temperature and pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, and other uses. Seamless line pipe is intended for the conveyance of oil and natural gas or other fluids in pipelines, transmission lines, or other lines. Seamless pressure pipe is commonly produced to ASTM A-106 specification and is intended for the conveyance of liquids and gases at elevated pressures and temperatures.[22] Many varieties of SSLP pipe are produced to meet multiple common standards and can be used across multiple applications.[23]

### A. Analysis and Conclusion

For the reasons explained below, we define a single domestic like product coextensive with the scope of these investigations.[24]

*Physical Characteristics and Uses.* SSLP pipe is available in a variety of dimensions and specifications for particular end uses.[25] Aside from certain high-end products,[26] however, most varieties of SSLP pipe are made to similar grades and specifications, and distributors typically certify products to multiple standards to ensure their suitability across various applications.[27] All varieties of SSLP pipe share a common general use of conveying gases and liquids in

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[20] *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, the Republic of Korea, the Russian Federation, and Ukraine: Initiation of Less-Than-Fair-Value Investigations*, 85 Fed. Reg. 47,176, 47,180 (Aug. 4, 2020) ("*Commerce AD Initiation Notice*"); *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea and the Russian Federation: Initiation of Countervailing Duty Investigations*, 85 Fed. Reg. 41,170 (Aug. 4, 2020). Commerce's initiation notice contains one amendment to the proposed scope of investigations from the petitions, adding a reference to ASTM A-822 standard for the exclusion for aerospace, hydraulic, and bearing tubing pipes. *Commerce AD Initiation Notice*, 85 Fed. Reg. 47,180.

[21] CR/PR at I-11.

[22] CR/PR at I-12-13.

[23] CR/PR at I-12.

[24] Petitioner advocates that the Commission define a single domestic like product, coextensive with the scope of these investigations, and consistent with past investigations with an identical scope description. Petitioner's Br. at 2-3 (citing *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final), USITC Pub. 4190 (Nov. 2010), at 7-10). For purposes of the preliminary phase of these investigations, no respondent party challenges the definition of domestic like product proposed by Petitioner. *See, e.g.*, Interpipe Br. at 4-5.

[25] CR/PR at I-12-13; Conference Tr. at 27-28 (Arevalo).

[26] SSLP pipe for offshore oil and gas platforms are generally made to the highest standards for wall thickness and performance among varieties of SSLP pipe. Conference Tr. at 27-28 (Arevalo).

[27] CR/PR at I-12; Conference Tr. at 28 (Arevalo).

industrial piping systems, although particular applications may vary (*e.g.*, conveying gases/liquids under pressure or at high temperatures).[28]

*Interchangeability*. Not all varieties of SSLP pipe are interchangeable given that particular applications will require certain dimensions and specifications. Nonetheless, many varieties of SSLP pipe are "standard products" made to the most commonly used dimensions and certified to multiple standards, thus allowing standard products to be interchangeable across multiple applications.[29]

*Manufacturing Facilities, Production Processes and Employees.* All varieties of SSLP pipe share common manufacturing processes, including melting steel into billets, piercing billets to create a hollow, and then sizing the hollow to the desired dimensions of the pipe; particular varieties of SSLP pipe may require further heat treatment, finishing, or certification.[30] Individual facilities produce most of the range of SSLP pipe products, but products with greater wall thickness or length may only be available from specialized facilities.[31]

*Channels of Distribution.* The majority of domestic producers' SSLP pipe are sold through distributors, with a smaller portion to end users.[32] Products sold through distributors are most often standard products intended for use across multiple applications, while products sold to end users may be more specialized, such as products for offshore drilling.[33]

*Producer and Customer Perceptions.* Both producers and customers generally perceive all SSLP pipe to be a common product differing only in diameter, thickness, and length.[34] Many varieties of standard SSLP pipe are made to multiple specifications, and pipe under common specifications are "considered pretty much the same."[35]

*Price.* Prices for different varieties of SSLP pipe may vary based on factors such as dimension, specifications, and availability.[36] Domestic prices across the available pricing products in the record of the preliminary phase exhibited similar ranges of prices during the January 2017 through March 2020 period of investigation ("POI").[37]

*Conclusion*. While SSLP pipe encompasses products of varying sizes and specifications, there is not a clear dividing line between varieties of SSLP pipe. Most domestic SSLP pipe constitute standard products that are made to commonly used dimensions and specifications and used across multiple applications. Varieties of SSLP pipe that are made to similar dimensions and standards are interchangeable. Further, most domestic SSLP pipe are made using common manufacturing processes at the same facilities and are sold in similar channels of distribution. Available pricing data for the preliminary phase of these investigations exhibit similar price ranges for domestic products.

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[28] CR/PR at I-11-13.
[29] CR/PR at I-12; Conference Tr. at 32-33 (Arevalo).
[30] CR/PR at I-14-15; Conference Tr. at 34-35 (Arevalo).
[31] Conference Tr. at 34 (Polk) & 36 (Polk).
[32] CR/PR at Table II-2.
[33] Conference Tr. at 31-33 (Arevalo & Schagrin).
[34] Conference Tr. at 37 (Arevalo).
[35] Conference Tr. at 37 (Arevalo).
[36] Conference Tr. at 38 (Arevalo).
[37] CR/PR at Tables V-3-6.

Accordingly, based on the record in the preliminary phase of these investigations, we define a single domestic like product of all SSLP pipe, coextensive with the scope.

## IV. Domestic Industry and Related Parties

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[38] 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.[39] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[40] These investigations raise the question of whether two domestic producers, Vallourec or Tenaris, meet the definition of a related party under the statute.

*Parties' Arguments*. While Interpipe takes no position on the definition of domestic industry for purposes of these preliminary phase determinations, it notes that Interpipe ***.[41] Though Interpipe does not address whether domestic producer Tenaris should be considered part of the domestic industry, it notes that Tenaris serves as the exclusive U.S. distributor of subject imports from Russia.[42] Petitioner argues that no domestic producer should be excluded from the domestic industry pursuant to the related parties provision. While the Petitioner

[38] 19 U.S.C. § 1677(4)(A).

[39] *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).

[40] 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.

[41] Interpipe Br. at 5 & 25, Resp. to Staff Questions at 4-5, & Exh. 9; Conference Tr. at 79-80 & 95-96 (Valk).

[42] Interpipe Br. at Resp. to Staff Questions at 4.

Vallourec acknowledges that it has a joint venture with Interpipe -- the Ukrainian firm ***[43] – it argues that the joint venture only exports products to the European market and not to the United States.[44] Assuming arguendo that Vallourec satisfies the definition of a related party pursuant to the statute, the Petitioner argues that it should not be excluded from the domestic industry because its primary interest is in domestic production, it does not import subject merchandise, and it is seeking duties on subject imports from Ukraine.[45]

*Vallourec*. Vallourec is the *** largest domestic producer and did not directly import subject merchandise during the POI.[46] ***.[47] The parties invested into and launched a pipe finishing facility in Ukraine ***.[48] According to Interpipe, ***.[49] Interpipe also indicates that ***.[50] Relevant to these contentions, under the statute Vallourec would be a related party only if there was a direct or indirect "control" relationship between it and the importer or exporter of subject merchandise, or if Vallourec and the exporter of subject merchandise directly or indirectly control a third party (in this case the joint venture) and there is reason to believe the relationship causes Vallourec to act differently than a nonrelated producer.[51]

There is conflicting information in the record of the preliminary phase of these investigations as to whether Vallourec has direct or indirect control over Interpipe's exports to the United States from the joint venture/third party or otherwise meets the definition of a related party. Vallourec contends that the joint venture is not a foreign producer/exporter because it only finishes products primarily for export to Europe and does not itself export subject merchandise to the United States.[52] On the other hand, Interpipe argues that ***.[53] Thus, *** may be the exporter for ***. Vallourec therefore does not appear to be a related party by reason of controlling an exporter of subject merchandise. However, the evidence in the record of the preliminary phase of these investigations does not indicate whether Vallourec has direct or indirect control of the joint venture (a third party) with respect to ***. Finding such control would be a necessary prerequisite under the statute to finding that Vallourec is a

[43] Interpipe Br. at Exh. 9 (a services agreement between ***).

[44] Petitioner's Br. at Resp. to Staff Questions, 2-3. Petitioner also argues that because the joint venture engages only in finishing operations, the firm is not a producer of subject merchandise. *Id*.

[45] Petitioner's Br. at Resp. to Staff Questions, 3-4.

[46] CR/PR at Tables III-1, III-9, and IV-1. No party has argued that Vallourec be excluded from the definition of the domestic industry, and Vallourec is the petitioner. CR/PR at Table III-1.

[47] CR/PR at Table VII-13.

[48] Conference Tr. at 91 (Valk); *** Foreign Producer questionnaire at II-2a. ***. *Id*.

[49] *** Foreign Producer questionnaire at II-2a.

[50] Interpipe Br. at Resp. to Staff Questions at 4-5.

[51] 19 U.S.C. § 1677(4)(B)(ii). Direct or indirect control exists when "the party is legally or operationally in a position to exercise restraint or direction over the other party. 19 U.S.C. § 1677(4)(B).

[52] Petitioner's Br. at Resp. to Staff Questions at 2-3.

[53] Interpipe Br. at Resp. to Staff Questions at 4-5. According to Interpipe, ***. *Id*. at 4 n.5. Interpipe indicates that it exported ***. *Id*. at 5.

"related party" by reason of its involvement in the joint venture.[54] Accordingly, for purposes of the preliminary phase determinations, we find that Vallourec is not a related party under the statute.

*Tenaris*. Tenaris is the *** largest domestic producer and did not directly import subject merchandise during the POI.[55] The record of the preliminary phase of these investigations, however, is unclear as to whether Tenaris directly or indirectly controlled the U.S. importer of subject merchandise from Russia during the POI and thus would meet the definition of a related party under the statute. ***.[56] ***.[57] In its foreign producer questionnaire, TMK identified ***.[58] For purposes of the preliminary phase determinations, the record evidence is not clear as to whether Tenaris has direct or indirect control of the U.S. importers, and we therefore find that Tenaris does not meet the definition of a related party under the statute. In any final phase of these investigations, we will seek more information regarding whether Tenaris directly or indirectly controls imports of subject merchandise, and is therefore a related party under the statute.

Accordingly, for purposes of these preliminary phase investigations, we define the domestic industry to include all domestic producers of SSLP pipe, in accordance with our definition of the domestic like product.

## V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of

[54] If Vallourec has direct or indirect control with respect to Interpipe's exports of subject merchandise manufactured at the joint venture facility then consideration under 19 U.S.C. § 1677(4)(B)(ii)(IV) ("a producer and an exporter or importer shall be considered to be related parties if. . . the producer and the exporter or importer directly or indirectly control a third party and there is reason to believe that the relationship causes the producer to act differently than a nonrelated producer.") may be applicable. *See Low-Enriched Uranium from France*, Inv. No. 731-TA-909 (Second Review), USITC Pub. 4436 (Dec. 2013) at 15 (discussing a foreign joint venture between domestic producer and foreign producer of subject merchandise). According to Vallourec, if this provision is considered, "there is no reason to believe that the existence of a joint venture in Ukraine that performs finishing operations on pipe exported to Europe causes Vallourec to act differently than any other domestic producer." Petitioner's Br. at Resp. to Staff Questions at 3. *See* Conference Tr. at 79 (Valk) (describing joint venture's operations and indicating that the joint venture has benefitted Interpipe and Petitioner's products for the European market).

[55] CR/PR at Tables III-1, III-9, and IV-1.

[56] U.S. Importer Questionnaire, EDIS Doc. 715849, at II-7, II-11; U.S. Producer Questionnaire, EDIS Doc. 715490, at II-12. *** CR/PR at IV-1 n.3.

[57] CR/PR at IV-1 n.3.

[58] Foreign Producer Questionnaire, EDIS Doc. 715996 at I-7 & II-2a. ***. *Id*. TMK Group sold its U.S. companies IPSCO Tubulars Inc. to Tenaris in January 2020. CR/PR at Table III-3.

all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[59]

Based on official import statistics, subject imports by quantity from each subject country accounted for the following shares of total imports of SSLP pipe for July 2019 through June 2020, the 12-month period preceding the filing of the petitions: subject imports from Czechia accounted for *** percent; subject imports from Korea *** percent; subject imports from Russia *** percent;[60] and subject imports from Ukraine *** percent.[61] Thus, for purposes of these preliminary phase determinations, we find that subject imports of SSLP pipe from each subject country are not negligible.

## VI. Cumulation

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

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

[59] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[60] Official import statistics for Russia have been adjusted to account for *** out-of-scope merchandise reported in its questionnaire response. CR/PR at Table IV-3, note. No importer questionnaire responses were received for subject imports from Russia during the POI; in particular, importer *** did not provide a questionnaire response. CR/PR at IV-1 & n. 3 & 6. TMK and ChelPipe argue that they are the only foreign producers in Russia and that the Commission should rely on their foreign producer questionnaire export data to measure subject imports from Russia because official import data include out-of-scope products. ChelPipe Br. at 1; TMK Br. at 3-4. The export data suggested by TMK and ChelPipe, however, are not specific to the requisite 12-month period preceding the filing of the petitions for a negligibility analysis. Official import statistics as adjusted are an appropriate methodology to calculate negligibility in the preliminary phase of these investigations. We invite parties to comment on draft questionnaires in any final phase of these investigations on methodologies to calculate negligibility, including adjustments to official import statistics for exclusion of out-of-scope products.

[61] CR/PR at Table IV-3.

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[62]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[63] Only a "reasonable overlap" of competition is required.[64]

**A. Analysis and Conclusion**

For purposes of our preliminary phase determinations, we consider subject imports from Czechia, Korea, Russia, and Ukraine on a cumulated basis because the statutory criteria for cumulation are satisfied.[65] As an initial matter, the antidumping and countervailing duty petitions with respect to all subject countries were filed on the same day, July 8, 2020.[66]

*Fungibility*. The record of the preliminary phase of these investigations indicates that there is a high degree of substitutability between domestically produced SSLP pipe and subject imports. All responding domestic producers, and a majority of responding U.S. importers, reported that the domestic like product and subject imports from each of the four subject countries are "always" or "frequently" interchangeable, and that subject imports from each subject country are "always" or "frequently" interchangeable with each other.[67] Varieties of SSLP pipe eight inches or less in diameter comprise the majority of U.S. shipments from

[62] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

[63] *See*, *e.g.*, *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

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

[65] Petitioner notes that the petitions for each subject country were filed on the same day, and there is a reasonable overlap of competition between subject imports from each country and the domestic like product. Petitioner's Br. at 4-7. Interpipe takes no position on cumulation for an analysis of present material injury for purposes of these preliminary phase determinations; the other respondents present arguments regarding cumulation for purposes of a threat analysis. Interpipe Br. at Resp. to Staff Questions, 6; Ukraine Br. at 8-9. TMK and ChelPipe do not directly address the Commission's analysis of cumulation, but their arguments address only subject imports from Russia. *See, e.g.*, TMK Br. at 5-7.

[66] None of the statutory exceptions to cumulation applies.

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

domestic producers and subject imports from each country,[68] and products from each source are made to similar standards and specifications.[69]

*Channels of Distribution*. The record indicates that both the domestic like product and subject imports share the same channels of distribution, with a majority of U.S. shipments of both subject imports and the domestic like product to distributors and lesser amounts to end users.[70]

*Geographic Overlap*. The record indicates that SSLP pipe is generally shipped nationwide. U.S. producers reported U.S. shipments in all regions of the United States, and U.S. importers reported shipments of subject imports from Czechia and Ukraine in each geographic region as well.[71] Questionnaire responses for U.S. shipments of subject imports from Korea were limited; no U.S. importers of subject imports from Russia responded.[72] Official import data, however, indicate that subject imports are imported into each geographic region, with the largest concentration of shipments in the South and lesser amounts in other regions, although imports from some subject countries are not imported into all regions.[73]

*Simultaneous Presence in Market*. Subject imports from Czechia and Korea were present every month of the POI, while subject imports from Ukraine were present in 38 of 39 months and subject imports from Russia were present in 34 of 39 months.[74] Domestic producers reported U.S. shipments of the domestic like product in each full year of the POI and in interim 2020.[75]

*Conclusion*. In sum, the record in the preliminary phase of these investigations indicates that subject imports from each subject country are fungible with the domestic like product and with each other, that subject imports from each subject country are sold in the same channels of distribution, and have been simultaneously present in the U.S. market for almost the entirety of the POI. The domestic like product and subject imports from Czechia and Ukraine are

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[68] CR/PR at Table IV-4 (showing U.S. shipments for all range of sizes of SSLP pipe for both domestic producers and U.S. importers of subject merchandise). The majority of U.S. shipments from Czechia, Korea, and Ukraine are eight inches or less in diameter; no data are available for shipments from Russia. *Id*.

[69] Conference Tr. at 29-30 (Arevalo).

[70] CR/PR at Table II-2. U.S. producers U.S. shipments to distributors ranged from *** percent to *** percent from 2017 to 2019, with the remainder to end-users. U.S. importers reported U.S. shipments of subject imports from Korea and Ukraine ***, and *** U.S. shipments of subject imports from Czechia were to ***; no U.S. importers of subject imports from Russia provided data. *Id*.

[71] CR/PR at Table II-3.

[72] Questionnaire responses for U.S. importers of subject imports from Korea were limited, accounting for 2.2 percent of imports from Korea in 2019. CR/PR at IV-1. U.S. importers reported U.S. shipments of subject imports from Korea only in the Central Southwest; no U.S. importers of subject imports from Russia provided data. CR/PR at Table II-3.

[73] CR/PR at Table IV-5. For subject imports from each subject country, the largest concentration of imports was into the South. Subject imports from each subject country were imported into overlapping geographic regions; there were no subject imports from Czechia into the North, and no subject imports from Russia into the East, North, or West. *Id*.

[74] CR/PR at Table IV-6.

[75] CR/PR at Table IV-7.

present in all geographic regions; there is limited information on the record on geographic presence for subject imports from Korea and Russia. We find a reasonable overlap of competition between and among the domestic like product and subject imports from each subject country. Accordingly, we analyze subject imports from Czechia, Korea, Russia, and Ukraine on a cumulated basis for our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

## VII. Reasonable Indication of Material Injury by Reason of Subject Imports

### A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[76] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[77] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[78] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[79] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[80]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[81] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[82] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential

[76] 19 U.S.C. §§ 1671b(a), 1673b(a).

[77] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[78] 19 U.S.C. § 1677(7)(A).

[79] 19 U.S.C. § 1677(7)(C)(iii).

[80] 19 U.S.C. § 1677(7)(C)(iii).

[81] 19 U.S.C. §§ 1671b(a), 1673b(a).

[82] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[83]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[84] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[85] Nor does

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

[84] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

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

the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[86] It is clear that the existence of injury caused by other factors does not compel a negative determination.[87]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[88] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [89] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[90]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[91] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[92]

### B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

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[86] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[87] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[88] *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology."), *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[89] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[90] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[91] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

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

### 1. Demand Conditions

SSLP pipe are used to convey gases and liquids in industrial piping systems, including in the energy industry and nonresidential construction.[93] Reported end uses include oil and gas pipelines, well gathering lines, process pipe/LP, refinery and chemical plants, hydrocarbon processing facilities, and automotive, industrial, and construction applications.[94] SSLP pipe accounts for a small share of the end-use products in which it is used, with the reported shares of end-use costs ranging from two percent for well gather lines, three percent for hydrocarbon processing facilities, and five percent for pipelines.[95]

Demand for SSLP pipe is derived from demand for downstream products, particularly in the oil and gas market; higher oil/natural gas prices result in increased drilling and more demand for SSLP pipe.[96] During the POI, crude oil prices fluctuated but were 44 percent lower in March 2020 than in January 2017.[97] Oil price declines were particularly acute in 2020 due to travel restrictions resulting from COVID-19 mitigation efforts and the Russia-Saudi Arabia disagreement over oil production that resulted in a global oversupply of oil.[98] Natural gas prices followed similar trends, fluctuating over the period but were 56 percent lower in March 2020 from their peak.[99] The number of oil rigs fluctuated but increased overall by 18 percent from January 2017 to March 2020, while the number of natural gas rigs also fluctuated but declined overall by 24 percent for the same period.[100] Responding firms reported that there are limited substitutes for SSLP pipe.[101]

All responding U.S. producers and four of ten responding importers indicated that demand for SSLP pipe is subject to business cycles and/or distinct conditions of competition, with reported cycles including oil and gas prices, industrial demand, and seasonal drilling activity.[102] Four U.S. producers and four importers reported cycles or conditions that changed demand for SSLP pipe over the POI, including a decline in demand in 2020 resulting from the COVID-19 pandemic, section 232 measures changing demand for imports over the POI, and a

[93] CR/PR at II-10.

[94] CR/PR at II-10.

[95] CR/PR at II-10.

[96] CR/PR at II-8.

[97] CR/PR at II-8 and Figure II-1. Crude oil prices generally increased from January 2017 through October 2018 before declining irregularly in 2019, and sharply in 2020. *Id*.

[98] CR/PR at II-8.

[99] CR/PR at II-8 and Figure II-1. Natural gas prices increased irregularly from January 2017 to November 2018 before declining for the remainder of the period. *Id*.

[100] CR/PR at II-9 & Figure II-2. The number of oil rigs increased from January 2017 through November 2018 and then declined through March 2020; the number of natural gas rigs increased from January 2017 through January 2019 before declining through March 2020. *Id*.

[101] CR/PR at II-12. Three U.S. producers and eight U.S. importers reported that there were no substitutes for SSLP pipe. Three U.S. producers and one importer reported substitutes for certain applications, including welded or plastic pipe for onshore applications, ERW welded pipe in the gas industry, and drilled bar for various applications. *Id*.

[102] CR/PR at II-11.

decline in demand resulting from falling oil and gas prices.[103] All U.S. producers and the vast majority of responding importers reported that U.S. demand for SSLP pipe decreased or fluctuated over the POI.[104]

Apparent U.S. consumption fluctuated between years and was lower in 2019 than in 2017. Apparent U.S. consumption initially increased from *** short tons in 2017 to *** short tons in 2018 before declining by *** percent to *** short tons in 2019, for an overall decline of *** percent from 2017 to 2019.[105]

### 2. Supply Conditions

The domestic industry held the second largest share of the U.S. market over the POI. Although its market share initially increased from *** percent in 2017 to *** percent in 2018, it then declined to its lowest level in 2019 at *** percent.[106] While the domestic industry's annual SSLP pipe production capacity increased each year between 2017 and 2019,[107] its annual capacity was *** apparent U.S. consumption each year.[108] Its capacity utilization rate fluctuated but finished the POI lower, initially increasing from 45.1 percent in 2017 to 55.7 percent in 2018 before declining to 32.2 percent in 2019, its lowest full-year level.[109]

Subject imports accounted for the smallest share of the U.S. market. Their market share initially decreased from *** percent in 2017 to *** percent in 2018, before increasing to *** percent in 2019 as apparent U.S. consumption declined.[110]

Nonsubject imports accounted for the largest share of the U.S. market over the POI. Their market share was *** percent in 2017 and 2018, and *** percent in 2019.[111] The largest sources for these imports during the POI were Mexico, Germany, and Japan.[112]

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[103] CR/PR at II-11. U.S. importer *** reported that Section 232 measures had the result of making imports of SSLP pipe from Korea and Mexico more competitive in the U.S. market. *Id*.

[104] CR/PR at Table II-5. Three U.S. producers reported demand had decreased and three reported it had fluctuated. Of 11 responding U.S. importers, five reported that demand had decreased, four that it had fluctuated, and two that it had not changed. *Id*.

[105] CR/PR at Table IV-7. Apparent U.S. consumption was also lower in January to March ("interim") 2020 (*** short tons) than in interim 2019 (*** short tons). *Id*.

[106] CR/PR at Table IV-8. The domestic industry's market share was slightly lower in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*.

[107] CR/PR at Table III-5. The domestic industry's annual production capacity for SSLP pipe was 776,495 short tons in 2017, 808,601 short tons in 2018, and 812,517 short tons in 2019; production capacity was lower in interim 2020 (210,677 short tons) than in interim 2019 (213,056 short tons). *Id*.

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

[109] CR/PR at Table III-5. The domestic industry's capacity utilization rate was also lower in interim 2020 (22.9 percent) than in interim 2019 (41.0 percent). *Id*.

[110] CR/PR at Table IV-8. Subject imports' market share was also higher in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*.

[111] CR/PR at Table IV-8. Nonsubject imports' share was lower in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*.

[112] CR/PR at IV-5-6.

### 3. Substitutability and Other Conditions

The degree of substitutability between domestic and imported SSLP pipe depends on factors such as price, quality (*e.g.*, grade standards, defect rates), and conditions of sale (*e.g.*, discounts/rebates, lead times between order and delivery date, reliability of supply, and product services).[113] Based on the record evidence and as explained below, we find that there is a high degree of substitutability between domestically produced SSLP pipe and SSLP pipe imported from subject sources.[114]

U.S. purchasers asked to identify factors affecting their purchasing decisions most frequently cited price, followed by quality, and customer acceptance.[115] All responding U.S. producers and the vast majority of importers reported that domestically produced SSLP pipe and subject imports are "always" or "frequently" interchangeable.[116] Both domestic producers and importers from subject sources reported U.S. shipments of SSLP pipe in all size ranges for articles subject to investigation.[117] All responding domestic producers and the majority of importers reported that there are "sometimes" or "never" significant differences other than price between domestic SSLP pipe and subject imports.[118] Based on the record in the preliminary phase of these investigations, we find that price is an important factor in purchasing decisions for SSLP pipe.

Domestic producers and importers reported a variety of methods to set price, including transaction-by-transaction, contract, and set price list;[119] both U.S. producers and importers

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[113] CR/PR at II-12.

[114] CR/PR at II-12.

[115] CR/PR at II-13. Five purchasers identified price, three quality, two customer acceptance, and two lead time. A single purchaser identified other factors including delivery, availability, market activity, and meets quality/commercial criteria. *Id*.

[116] CR/PR at Table II-6. All responding domestic producers reported that domestically produced SSLP pipe and subject imports from each source are "always" or "frequently" interchangeable. For U.S. importers, majorities reported that domestically produced SSLP pipe and subject imports from each source are "always" of "frequently" interchangeable, including six of eight responding regarding subject imports from Czechia, six of seven responding firms regarding subject imports from Korea, five of six responding firms regarding subject imports from Russia, and six of seven responding firms regarding subject imports from Ukraine. *Id*.

[117] CR/PR at Table IV-4. Domestic producers and U.S. importers from Czechia and Ukraine reported U.S. shipments of all sizes; questionnaire responses for importers from Korea and Russia were limited, with no responses for Russia and shipments reported only for SSLP pipe 6 inches and less in diameter for Korea. *Id*.

[118] CR/PR at Table II-7. All responding domestic producers reported that there are "sometimes" or "never" significant differences other than price. For U.S. importers, majorities reported that there are "sometimes" or "never" significant differences other than price, including five of eight firms regarding subject imports from Czechia, four of five firms regarding subject imports from Korea, and all responding firms regarding subject imports from both Russia and Ukraine. *Id*.

[119] CR/PR at Table V-1. U.S. producers most frequently reported transaction-by-transaction (five of six responding firms), followed by set price list (three firms), contract (one firm), and other (one firm); U.S. importers most frequently reported transaction-by-transaction (eight of 10 responding firms), followed by contract (two firms), set price list (two firms), and other (one firm). *Id*.

reported that the vast majority of commercial U.S. shipments of SSLP pipe were sold through spot sales.[120] U.S. shipments for both domestic producers and importers were to the same channels of distribution, with most to distributors and a smaller portion to end users.[121]

Raw materials used in the production of SSLP pipe include solid steel billets, scrap metal, alloys, and other additives.[122] Raw materials as a share of cost of goods sold ("COGS") were between 35 and 40 percent between 2017 and 2019. According to Petitioner, scrap accounted for *** percent of its raw material costs.[123] Scrap steel and pig iron prices fluctuated but declined overall from January 2017 to March 2020, including by *** percent for scrap and *** percent for pig iron.[124] Most U.S. producers and importers reported that raw material costs fluctuated over the POI.[125]

Domestic producers manufacture products other than SSLP pipe on the same equipment, particularly oil country tubular goods ("OCTG").[126] OCTG production was greater than production of SSLP pipe on the same equipment throughout the POI but lower in 2019 than in 2017; domestic producers produced a small share of other products on the same equipment.[127]

Subject imports from each subject country have been subject to additional measures during the POI, pursuant to Section 232 of the Trade Expansion Act of 1962, as amended ("Section 232").[128] Subject imports from Czechia were subject to 25 percent duties effective June 1, 2018, and subject imports from Russia and Ukraine were subject to 25 percent duties

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[120] CR/PR at Table V-2. U.S. producers reported *** percent of commercial U.S. shipments by spot sales, *** percent through short-term contracts, and *** percent through annual contracts. U.S. importers reported *** percent of commercial U.S. shipments through spot sales and *** percent through short-term contracts. *Id*.

[121] CR/PR at Table II-2. U.S. producers' U.S. shipments to distributors accounted for *** percent of shipments in 2017, *** percent in 2018, and *** percent in 2019, and such shipments were lower in interim 2020 (*** percent) than in interim 2019 (*** percent); the remainder were to end users. The vast majority of U.S. importers' shipments of subject imports from each source were to distributors, including *** percent in 2017, *** percent in 2018, and *** percent in 2019, and it was *** percent in both interim periods. The remainder were to end users. *Id*.

[122] CR/PR at V-1.

[123] CR/PR at V-1.

[124] CR/PR at Figure V-1 and V-1.

[125] CR/PR at V-2. Four of six U.S. producers and eight of 10 importers reported that raw material costs fluctuated over the POI. *** reported that the scrap market is very volatile, and *** that raw material costs fluctuate with market conditions. *Id*.

[126] CR/PR at Table III-6. Domestic producers' production of OCTG on the same equipment as SSLP pipe was *** short tons in 2017, *** short tons in 2018, and *** short tons in 2019; production was also lower in interim 2020 (*** short tons) than in interim 2019 (*** short tons). Domestic producers also produced smaller amounts of SSLP pipe larger than 16 inches in diameter and other products on the same equipment during the POI. *Id*.

[127] CR/PR at Table III-6. Domestic producers' production of OCTG on the same equipment accounted for *** percent of production in 2017, *** percent in 2018, and *** percent in 2019; it was higher in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*.

[128] 19 U.S.C. § 1862.

effective March 23, 2018.[129] Effective May 1, 2018, annual quota limits were applied to subject imports from Korea.[130] Nearly all responding U.S. producers and importers reported that section 232 measures had an impact on the U.S. market for SSLP pipe, although descriptions of the type of impact were mixed. Of five responding U.S. producers, two reported that Section 232 measures had not changed supply of domestically produced SSLP pipe, two that it had fluctuated, and one that it had decreased; a plurality of importers reported that the measures had increased the supply of domestic product.[131] A majority of responding U.S. producers indicated Section 232 measures increased the supply of imported SSLP pipe, while a majority of responding importers indicated that they had decreased the supply of imported SSLP pipe.[132]

### C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[133]

The volume of cumulated subject imports fluctuated over the POI. They were *** short tons in 2017, *** short tons in 2018, and *** short tons in 2019.[134] While subject imports' market share was *** percent in 2017 and *** percent in 2018, it increased by *** percentage points to *** percent in 2019, as apparent U.S. consumption declined by *** percent from 2018 to 2019.[135] The increase in the subject imports' market share from 2018 to 2019, in a declining market, was entirely at the expense of the domestic industry.[136]

For purposes of the preliminary phase of these investigations, we find that the volume of cumulated subject imports was significant in absolute terms and relative to consumption in the United States during the POI.

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[129] CR/PR at I-9-10.

[130] CR/PR at Table I-2 (detailing annual quota limits for applicable HTS subheadings).

[131] CR/PR at Table II-1. Five importers reported that section 232 measures had increased the supply of domestic SSLP pipe, three that it had not changed, one that it had decreased, and one that it had fluctuated. *Id*.

[132] CR/PR at Table II-1. Three domestic producers reported that Section 232 measures had increased the supply of imported SSLP pipe, one that it had not changed, and one that it had fluctuated. Five U.S. importers reported that section 232 measures had decreased supply of imported SSLP pipe, three that it had fluctuated, one that it had increased, and one that it had not changed. *Id*.

[133] 19 U.S.C. § 1677(7)(C)(i).

[134] CR/PR at Table IV-2. Subject import volumes were *** short tons in interim 2019 and *** short tons in interim 2020). *Id*.

[135] CR/PR at Table IV-7. Subject imports' market share was also higher in interim 2020 (*** percent) than in interim 2019 (*** percent) – a difference of *** percentage points. *Id*. As a ratio to domestic production, subject imports were *** percent in 2017, *** percent in 2018, *** percent in 2019, and the ratio was higher in interim 2020 (*** percent) than in interim 2019 (*** percent). CR/PR at Table IV-2.

[136] CR/PR at Table C-1. The record indicates that the domestic industry lost market share (from 2018 to 2019 to both subject imports (which gained *** percentage points) and nonsubject imports (which gained *** percentage points). *Id*.

### D. Price Effects of the Subject Imports

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

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

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[137]

As addressed above, the current record indicates that there is a high degree of substitutability between subject imports and the domestically produced product, and that price is an important factor in purchasing decisions.

In the preliminary phase of these investigations, the Commission requested that U.S. producers and importers provide quarterly data for the total quantity and f.o.b. value for four SSLP pipe products shipped to unrelated U.S. customers between January 2017 and March 2020.[138] Four U.S. producers and six importers provided usable pricing data on sales of the requested products.[139]

The pricing data show that subject imports undersold the domestic product in 104 of 105 comparisons (involving 57,627 short tons) at margins ranging from 3.0 percent to 57.5 percent and averaging 29.5 percent.[140] Subject imports oversold the domestic product in the remaining comparison (involving *** short tons) at a margin of

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[137] 19 U.S.C. § 1677(7)(C)(ii).

[138] The pricing products were as follows: **Product 1.**— seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 3" nominal size (3 ½ inch OD x 0.3 wall thickness); plain ends; **Product 2.**— Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 4" nominal size (4 ½ inch OD x 0.237 wall thickness); plain ends; **Product 3.**— Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 6" nominal size (6 5/8 inch OD x 0.280 wall thickness); plain ends; and **Product 4.**— Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 8" nominal size (8 5/8 inch OD x 0.322 wall thickness); plain ends. CR/PR at V-5.

[139] CR/PR at V-5. The pricing data accounted for approximately *** percent of U.S. producers' U.S. shipments of SSLP pipe, *** percent of reported U.S. shipments of subject imports from Czechia, *** percent of reported U.S. shipments of subject imports from Korea, and *** percent of reported U.S. shipments of subject imports from Ukraine. Given that no responding U.S. importers from Russia reported ***, no pricing data was reported for subject imports from Russia. CR/PR at V-5-6; IV- 1. Not all firms reported pricing data for all products in all quarters. *Id*. In any final phase of these investigations, we invite parties to suggest any specific modifications to pricing products in their comments on the draft questionnaires. 19 C.F.R. § 207.20(b).

[140] CR/PR at Table V-8.

89.6 percent.[141] While six U.S. producers reported that they had lost sales during the POI,[142] none of the five responding U.S. purchasers reported that they had purchased subject imports instead of the domestic product over the POI, and no purchaser reported decreasing purchases from domestic producers.[143] Based on the instances of underselling in all but one of the pricing comparisons, we find significant price underselling by subject imports for purposes of these preliminary phase determinations.

We have also considered price trends for the domestic product. Prices for the domestic products fluctuated over the POI, increasing overall.[144] However, the pricing data demonstrate price declines from the third quarter of 2018 through the first quarter of 2020.[145] Domestic prices increased *** percent for product 1, *** percent for product 2, *** percent for product 3, and *** percent for product 4.[146] Five U.S. producers reported that they reduced prices to compete with subject imports during the POI, and three reported rolling back price increases.[147] Of five responding U.S. purchasers, one reported that U.S. producers had reduced prices to compete with lower-priced imports from Czechia and Ukraine.[148]

The domestic industry's cost of goods sold ("COGS") ratio to net sales fluctuated but finished lower in 2019 than in 2017; it was *** percent in 2017, *** percent in 2018, and *** percent in 2019.[149] The industry's raw material costs as a ratio to net sales increased each full year, as did the industry's raw material costs on a per-unit basis.[150] The domestic industry's

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[141] CR/PR at Table V-8. This comparison resulted from importer ***, which reported sales of ***. CR/PR at V-17 n.8.

[142] CR/PR at V-18.

[143] CR/PR at V-19-20. Petitioner did not provide any lost sales or lost revenue allegations in the petitions, and Commission staff instead requested that Petitioner provide its 10 largest customers in 2019. CR/PR at V-18 n.10. Petitioner indicated that it was unable to identify purchasers from which it lost sales because most of its sales were to distributors. Conference Tr. at 21 (Arevalo); Petitioner's Br. at 16-17; *see also* CR/PR at II-1 ("SSLP is generally sold to distributors"), Table II-2 (indicating that during the POI, the share of U.S. producers' U.S. shipment of SSLP pipe sold to distributors (versus direct to end users/customers) ranged from *** percent to *** percent). We will further examine domestic producers' claims of lost sales in any final phase of these investigations, and we invite domestic producers to identify such instances, whether to distributors or end users.

[144] CR/PR at Figure V-7.

[145] CR/PR at V-15.

[146] CR/PR at Table V-7.

[147] CR/PR at V-18.

[148] CR/PR at V-20. Additionally, three U.S. purchasers reported that U.S. producers had not reduced prices to compete with subject imports from Czechia and Ukraine, and one reported that it did not know. With respect to subject imports from Korea and Russia, three purchasers reported that U.S. producers had not reduced prices to compete with these products, and two reported that they did not know. *Id*.

[149] CR/PR at Table VI-1. The domestic industry's COGS to net sales ratio was higher in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*.

[150] CR/PR at Table VI-1. The domestic industry's raw material costs as a ratio to net sales were *** percent in 2017, *** percent in 2018, and *** percent in 2019; it was lower in interim 2020 (*** percent) than in interim 2019 (*** percent). The industry's raw material costs on a per unit basis were (Continued…)

direct labor costs between 2017 and 2019 increased as a ratio to net sales while its other factory costs, the largest component of costs, decreased between 2017 and 2019.[151]

Given the high degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions, we find that subject imports significantly undersold the domestic like product. This occurred while subject imports initially lost market share from 2017 to 2018 but then gained *** percentage points of market share at the domestic industry's expense from 2018 to 2019. We consequently cannot find for the purpose of the preliminary phase of these investigations that subject imports – which significantly undersold the domestic like product and gained market share at the expense of domestic producers from 2018 to 2019 – did not have significant adverse price effects on the domestic industry.[152]

### E. Impact of the Subject Imports[153]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[154]

In a declining market between 2018 and 2019, U.S. producers lost market share and experienced declines in production, shipments, sales, and other performance indicators.

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$*** per short ton in 2017, $*** per short ton in 2018, and $*** per short ton in 2019; it was lower in interim 2020 ($*** short ton) than in interim 2019 ($*** per short ton). *Id*.

[151] CR/PR at Table VI-1. The domestic industry's direct labor costs as a ratio to net sales were *** percent in 2017, *** percent in 2018, and *** percent in 2019; they were higher in interim 2020 (*** percent) than in interim 2019 (*** percent). Other factory costs as a ratio to net sales were *** percent in 2017, *** percent in 2018, and *** percent in 2019; they were higher in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*.

[152] On this record, Chair Kearns finds that given the significant underselling by subject imports over the POI and the related gain of *** percentage points of market share at the domestic industry's expense from 2018 to 2019, subject imports had significant adverse price effects.

[153] In its notices of initiation, Commerce reported estimated dumping margins ranging from 50.45 percent to 51.70 percent for subject imports from Czechia, from 114.80 percent to 131.31 percent for subject imports from Korea, from 41.07 percent to 273.47 percent for subject imports from Russia, and from 42.38 percent to 42.88 percent for subject imports from Ukraine. *Commerce AD Initiation Notice*, 85 Fed. Reg. at 47178.

[154] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

The domestic industry's market share was *** percent in 2017 and *** percent in 2018 before declining to *** percent in 2019, the lowest level of the period.[155] The domestic industry's production capacity increased each full year of the POI.[156] Domestic producers' capacity utilization, [157] production,[158] and U.S. shipments[159] all followed a similar trend: increasing between 2017 and 2018 before declining to their lowest levels in 2019. Domestic producers' inventories were lower in 2019 than in 2017.[160]

The domestic industry's number of production-related workers ("PRWs"), total hours worked, wages paid, and hourly wages followed similar trends: increasing between 2017 and 2018 before declining in 2019. Productivity was lower in 2019 than in 2017, and unit labor costs increased each year of the POI.[161]

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[155] CR/PR at Table IV-8. Domestic producers' market share was lower in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*.

[156] The domestic industry's average capacity was *** short tons in 2017, 808,601 short tons in 2018, and 812,517 short tons in 2019; it was lower in interim 2020 (210,677 short tons) than in interim 2019 (213,056 short tons). CR/PR at Table III-5.

[157] The domestic industry's capacity utilization was 45.1 percent in 2017, 55.7 percent in 2018, and 32.2 percent in 2019; it was lower in interim 2020 (22.9 percent) than in interim 2019 (41.0 percent). CR/PR at Table III-5.

[158] The domestic industry's production increased from 350,099 short tons in 2017 to 450,676 short tons in 2018 and declined to 261,518 short tons in 2019; its production was lower in interim 2020 (48,263 short tons) than in interim 2019 (87,320 short tons). CR/PR at Table III-5.

[159] Domestic producers reported commercial U.S. shipments, internal consumption, transfers to related firms. Commercial U.S. shipments were 251,443 short tons in 2017, 325,782 short tons in 2018, and 178,623 short tons in 2019; commercial U.S. shipments were lower in interim 2020 (32,638 short tons) than in interim 2019 (55,706 short tons). Internal consumption was *** short tons in 2017, *** short tons in 2018, and *** short tons in 2019; internal consumption was lower in interim 2020 (*** short tons) than in interim 2019 (*** short tons). Transfers to related firms were *** short tons in 2017, *** short tons in 2018, and *** short tons in 2019; transfers were lower in interim 2020 (*** short tons) than in interim 2019 (*** short tons. The domestic industry's total U.S. shipments initially increased from *** short tons in 2017 to *** short tons in 2018, and declined to *** short tons in 2019; they were lower in interim 2020 (*** short tons) than in interim 2019 (*** short tons). CR/PR at Table III-7.

[160] The domestic industry's end-of-period inventories decreased from *** short tons in 2017 to *** short tons in 2018, and then increased to *** short tons in 2019; they were lower in interim 2020 (*** short tons) than in interim 2019 (*** short tons. The domestic industry's ratio of inventories to U.S. shipments fluctuated but increased overall during the POI, initially decreasing from *** percent to *** percent and then increasing to their highest level in the POI, *** percent; they were higher in interim 2020 (*** percent) than in interim 2019 (*** percent). CR/PR at Table III-8.

[161] The domestic industry's PRWs totaled 1,037 in 2017, 1,212 in 2018, and 1,059 in 2019, and it was lower in interim 2020 (966) than in interim 2019 (1,193). Total hours worked were 2.05 million in 2017, 2.49 million in 2018, and 2.11 million in 2019; they were lower in interim 2020 (547,000) than in interim 2019 (674,000). Wages paid were $76.0 million in 2017, $102.9 million in 2018, and $84.2 million in 2019; they were lower in interim 2020 ($18.8 million) than in interim 2019 ($23.4 million). Productivity was 170.7 short tons per 1,000 hours in 2017, 181.1 in 2018, and 124.0 in 2019; productivity was lower in interim 2020 (88.2) than in interim 2019 (129.6). Hourly wages were $37.08 in 2017, $41.32 in 2018, and $39.93 in 2019; they were lower in interim 2020 ($34.40) than in interim 2019 (Continued…)

The domestic industry's net sales increased between 2017 and 2018 before falling to their lowest levels in 2019.[162] The domestic industry's gross profit and operating income followed similar patterns: increasing from *** in 2017 to *** in 2018 before declining in 2019.[163] Similarly, operating income as a share of net sales increased from *** in 2017 to *** in 2018 before returning to *** in 2019.[164] Domestic producers' capital expenditures fluctuated but finished the period higher, while research and development expenses fluctuated but were lower in 2019 than in 2017.[165] Five of six responding domestic producers also reported negative effects on investment and negative effects on growth and development due to subject imports.[166]

As noted above, subject imports significantly undersold the domestic product and gained market share from 2018 to 2019 as apparent U.S. consumption substantially declined and the domestic industry lost market share. During this same period, the domestic industry experienced declines in production, shipments, net sales, employment, and financial performance. Given these declines, and the market share shift from 2018 to 2019, and our findings above regarding significant adverse price effects, we cannot conclude for purposes of the preliminary phase of these investigations that subject imports did not have a significant adverse impact on the domestic industry.[167]

We have also considered whether there are other factors that may have had an impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. Interpipe argues that the domestic industry's declines in

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($34.78). Unit labor costs were $217 per short ton in 2017, $228 in 2018, and $322 in 2019; they were higher in interim 2020 ($390) than in interim 2019 ($268). CR/PR at Table III-10.

[162] The domestic industry's total net sales were $*** in 2017, $*** in 2018, and $*** in 2019; they were lower in interim 2020 ($*** ) than in interim 2019 ($***). CR/PR at Table VI-1.

[163] The domestic industry's gross profit was *** in 2017, *** in 2018, and *** in 2019; it was lower in interim 2020 (***) than in interim 2019 (***). Its operating income was *** in 2017, *** in 2018, and *** in 2019; it was lower in interim 2020 (***) than in interim 2019 (***). CR/PR at Table VI-1.

[164] The domestic industry's operating income as a share of net sales was *** percent in 2017, *** percent in 2018, and *** percent in 2019; it was lower in interim 2020 (*** percent) than in interim 2019 (*** percent). CR/PR at Table VI-1.

[165] Capital expenditures initially increased from $*** in 2017 to $*** in 2018 before declining to $*** in 2019; they were higher in interim 2020 ($***) than in interim 2019 ($***). Research and development expenses initially increased from $*** in 2017 to $*** in 2018 before declining to $*** in 2019; they were lower in interim 2020 ($***) than in interim 2019 ($***). CR/PR at Table VI-6.

[166] CR/PR at Table V-8. Negative effects on investment reported by U.S. producers included cancellation, postponement, or rejection of expansion projects and return on specific investments. Negative effects on growth and development reported included lowering of credit rating and lowered ability to service debt. *Id*.

[167] Based on the declines in the domestic industry's performance, its loss of market share from 2018 to 2019, and his finding of significant adverse price effects, Chair Kearns concludes that subject imports significantly impacted the domestic industry.

performance from 2018 to 2019 resulted from declining demand in the oil and gas sector.[168] Given the relative increase in subject import market share during this time period, however, we cannot conclude that subject imports did not also contribute to these declines.[169] Interpipe further argues that various purchasing factors, including "Buy America" requirements and approved manufacturer lists maintained by distributors, result in a preference for domestic products in the U.S. market.[170] We will further examine factors influencing demand and purchasing decisions in any final phase of these investigations.

Nonsubject imports accounted for the largest share of the U.S. market throughout the POI; their share was *** percent in 2017 and 2018 and increased to *** percent in 2019.[171] Interpipe argues that certain conditions favor nonsubject imports in the U.S. market, including the exclusion of some nonsubject countries from Section 232 measures and certain domestic producers' importing from *** nonsubject countries.[172] Yet, notwithstanding these considerations, subject imports' market share increased by *** percentage points from 2018 to 2019, as apparent U.S. consumption declined by *** percent and the domestic industry lost market share.[173] Moreover, nonsubject imports' average unit values ("AUVs") were higher than those for subject imports throughout the POI.[174] We consequently conclude that nonsubject imports cannot explain the injury we have attributed to the subject imports. We will further

[168] Interpipe Br. at 34-35. Interpipe also cites to various statements made by Vallourec officials during the POI that indicate its declining performance resulted from declining demand in the oil and gas sector and which do not reference import competition. *Id*. at Exh. 1 & Exh. 3.

[169] Chair Kearns finds that declining demand cannot explain the relative *** percentage point increase in subject import market share from 2018 to 2019, when the domestic industry lost *** percent points of market share during the same period.

[170] Interpipe Br. at 13-16 & Resp. to Staff Questions, at 13-14 & Exh. 1.

[171] CR/PR at Table C-1. Nonsubject imports' market share was lower in interim 2020 (*** percent) than in interim 2019 (*** percent). *Id*. Interpipe also notes that certain sources of nonsubject imports, including from Mexico (the largest source of nonsubject imports), are exempt from Section 232 measures, and demand for these imports has thus increased during the POI. Interpipe Br. at 36 & Exh. 2 (noting that imports from Mexico were exempted from Section 232 measures effective May 19, 2019). Interpipe also notes that domestic producers import from nonsubject sources. CR/PR at Table III-9.

[172] Interpipe notes that Mexico, the largest source of nonsubject imports, was exempt from Section 232 measures effective May 19, 2019. Interpipe Br. at 36 & Exh. 2. Additionally, it notes that *** import SSLP pipe from *** in nonsubject countries. Interpipe Br. at 37-38; CR/PR at Table III-9.

[173] CR/PR at Table C-1. Between 2018 and 2019, cumulated subject imports gained *** percentage points share, nonsubject imports gained *** percentage points, and the domestic industry lost *** percentage points. *Id*.

[174] CR/PR at Table C-1. Cumulated subject imports' AUVs were $*** per short ton in 2017, $*** per short ton in 2018, and $*** per short ton in 2019; their AUVs were $*** per short ton in interim 2019 and $*** per short ton in interim 2020. Nonsubject imports' AUVs were $1,338 per short ton in 2017, $1,627 per short ton in 2018, and $1,727 per short ton in 2019; they were $1,697 per short ton in interim 2019 and $1,665 per short ton in interim 2020. *Id*.

examine the role of nonsubject imports in the U.S. market in any final phase of these investigations.[175]

## VIII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of cumulated subject imports of SSLP pipe from Czechia, Korea, Russia and Ukraine that are allegedly sold in the United States at less than fair value and that are allegedly subsidized by the governments of Korea and Russia.

[175] We note that cumulated subject imports' AUVs were lower than those for the domestic industry throughout the POI and interim periods. CR/PR at Table C-1. In contrast, nonsubject imports AUVs were only lower than those for the domestic industry in 2017 and 2018. *Id*. Domestic producers' AUVs were $*** per short ton in 2017, $*** per short ton in 2018, and $*** per short ton in 2019; their AUVs were $*** per short ton in interim 2019 and $*** per short ton in interim 2020. *Id*.

# Part I: Introduction

## Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Vallourec Star, LP ("Vallourec"), Houston, Texas, on July 8, 2020, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of seamless carbon and alloy steel standard, line, and pressure pipe ("SSLP pipe")[1] by the Governments of Korea and Russia and less-than-fair-value ("LTFV") imports of SSLP pipe from Czechia, Korea, Russia, and Ukraine. The following tabulation provides information relating to the background of these investigations.[2] [3]

| Effective date | Action |
|---|---|
| July 8, 2020 | Petitions filed with Commerce and the Commission; institution of Commission investigations (85 FR 42431, July 14, 2020) |
| July 20, 2020 | Commerce's notice of initiation AD (85 FR 47176, August 4, 2020) |
| July 28, 2020 | Commerce's notice of initiation CVD – Korea and Russia (85 FR 47170, August 4, 2020) |
| July 29, 2020 | Commission's conference |
| August 21, 2020 | Scheduled date for the Commission's vote |
| August 24, 2020 | Scheduled date for the Commission's determinations |
| August 31, 2020 | Scheduled date for the Commission's views |

## Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for*

[1] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

[2] Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[3] A list of witnesses appearing at the conference is presented in appendix B of this report.

*domestic like SSLP pipes, and (III) the impact of imports of such merchandise on domestic producers of domestic like SSLP pipes, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

*In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like SSLP pipes of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like SSLP pipe, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*

*In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—*[5]

*(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the*

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

*United States merely because that industry is profitable or because the performance of that industry has recently improved.*

## Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy/dumping margins, and domestic like SSLP pipe. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported SSLP pipes, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

## Market summary

SSLP pipe is generally is used in the oil industry to convey petrochemicals, oil products, and natural gas, though it has applications in the automotive and chemical processing industries for the conveyance of water, steam, chemicals, and among other liquids and gasses. The leading U.S. producers of SSLP pipe are ***, while leading producers of SSLP pipe outside the United States include *** of Russia and *** of Ukraine. The leading U.S. importer of SSLP pipe from Ukraine is ***, while the leading importers of SSLP pipe from Czechia are ***. Leading importers of SSLP pipe from Argentina, Brazil, Germany, France, Italy, and Mexico include ***. The Commission received responses to its Lost Sales Lost Revenue Survey from five purchasers, in descending order of largest to smallest reported purchases: ***.[6]

Apparent U.S. consumption of SSLP pipe totaled approximately *** short tons (***) in 2019. Currently, six firms are known to produce SSLP pipe in the United States. U.S. producers' U.S. shipments of SSLP pipe totaled 257,395 short tons ($429.3 million) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled *** short tons (***) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled 441,823 short tons ($763.0 million) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

[6] See Part V "Lost Sales Lost Revenue." Lost sales lost revenue surveys were not sent to all purchasers of SSLP pipe, and responses represent a small sample of the purchasers in this industry.

## Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of six firms that accounted for the majority of U.S. production of SSLP pipe during 2019. U.S. imports are based on official U.S. import statistics under HTS statistical reporting numbers referenced in the scope.

Additional data regarding imported SSLP pipe are based on the responses of 10 U.S. importers that accounted for *** percent of U.S. imports of SSLP pipe from subject sources, accounting for *** percent of U.S. imports from Ukraine, *** percent of U.S. imports from Czechia, and *** percent of U.S. imports from Korea and Russia.

## Previous and related investigations

SSLP pipe and similar merchandise has been the subject of prior countervailing and antidumping duty investigations in the United States. Table I-1 summarizes information on previous and related title VII investigations.

**Table I-1:**
**SSLP Pipe: Previous and related Commission proceedings**

| Original Investigation | | | | |
|---|---|---|---|---|
| **Year** | **Investigation No(s).** | **Countries** | **Outcome** | **Current Status** |
| 1994 | 731-TA-707 | Argentina | Affirmative | Orders revoked after second review, May 18, 2007. 72 FR 28027 |
| 1994 | 731-TA-708 | Brazil | Affirmative | Orders revoked after second review, May 18, 2007. 72 FR 28027 |
| 1994 | 731-TA-709 | Germany | Affirmative | Orders continued after third review, Feb. 28, 2018. 83 FR 8651 |
| 1994 | 701-TA-362 and 731-TA-710 | Italy | Affirmative | Orders revoked after first review, July 16, 2001. 66 FR 36999 |
| 1999 | 731-TA-846 | Czechia | Affirmative | Orders revoked after first review, May 11, 2006. 71 FR 27463 |
| 1999 | 731-TA-847 | Japan | Affirmative | Orders continued after third review, November 13, 2017. 82 FR 52275 |
| 1999 | 731-TA-848 | Mexico | Affirmative | Orders revoked after first review, May 11, 2006. 71 FR 27461 |
| 1999 | 731-TA-849 | Romania | Affirmative | Orders continued after third review, November 13, 2017. 82 FR 52275 |
| 1999 | 731-TA-850 | South Africa | Affirmative | Orders revoked after first review, May 11, 2006. 71 FR 27463 |
| 2009 | 701-TA-469 and 731-TA-1168 | China | Affirmative | Orders continued after first review, March 16, 2016. 81 FR 14089 |

Note: “Date” refers to the year in which the investigation or review was instituted by the Commission.

Source: U.S. International Trade Commission publications and Federal Register notices.

In June 1994, the Commission instituted investigations on SSLP pipe from Argentina, Brazil, Germany and Italy in response to petitions filed by the Gulf States Tube Division of Quanex Corp. The Commission determined that an industry in the United States was materially injured by reason of imports of SSLP pipe from Argentina, Brazil, Germany and Italy that had been found by Commerce to be sold in the United States at LTFV, and to be subsidized by the government of Italy. In August 1995, Commerce issued orders on SSLP pipe from Argentina, Brazil, Germany and Italy. After the first sunset review of the orders, the Commission determined that SSLP pipe from Italy would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. At the same time, Commerce issued a continuation of antidumping orders with respect to Argentina, Brazil, and Germany as the Commission determined that revocation of the antidumping orders on SSLP from Argentina, Brazil, and Germany would likely lead to

continuation or recurrence of material injury within a reasonably foreseeable time. After the second sunset review, antidumping orders on Argentina and Brazil were revoked while antidumping orders on Germany continued even after its third review in 2017.

In June 1999, the Commission instituted investigations on large- and small-diameter SSLP pipe from the Czech Republic ("Czechia"), Japan, Mexico, Romania, and South Africa in response to petitions filed by Koppel Steel Corp., Sharon Tube Co., U.S. Steel Group, and Vision Metals' Gulf States Tube Division. The Commission determined that an industry in the United States was materially injured by reason of imports of small-diameter SSLP pipe from Czechia, Japan, Romania, and South Africa and large-diameter SSLP pipe from Japan and Mexico that have been found by Commerce to be sold in the United States at LTFV. After the first sunset review of the orders, the Commission determined that revocation of the antidumping duty orders on small-diameter SSLP pipe from Czechia and South Africa, and large-diameter SSLP pipe from Mexico, would not be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. Imports of large-diameter SSLP pipe from Japan and small-diameter SSLP pipe from Japan and Romania were determined to likely lead to continuation or recurrence of material injury within a reasonably foreseeable time, and orders have continued after the third sunset review.

In September 2009, the Commission instituted investigations on SSLP pipe from China in response to petitions filed by U.S. Steel Corporation; V&M Star, LP; and TMK IPSCO. The Commission determined that an industry in the United States was threatened with material injury by reason of imports of SSLP pipe from China that have been found by Commerce to be sold in the United States at LTFV, and to be subsidized by the government of China. These orders were continued after the first review as the Commission determined that revocation of the orders would be likely to lead to continuation or recurrence of material injury within a foreseeable time.

## Nature and extent of alleged subsidies and sales at LTFV

### Alleged subsidies

On July 28, 2020, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on SSLP pipe from Korea and Russia. Commerce determined that that there is sufficient information to initiate a CVD investigation on the 38 alleged government programs in Korea and 11 alleged government programs in Russia. [7]

[7] 85 FR 47170, August 4, 2020.

### Alleged sales at LTFV

On July 28, 2020, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on SSLP pipe from Czechia, Korea, Russia, and Ukraine. Commerce has initiated antidumping duty investigations based on estimated dumping margins for each of the countries covered by this initiation as follows: (1) The Czech Republic—50.45 and 51.70 percent; (2) Korea—114.80 to 131.31 percent; (3) Russia—41.07 to 273.47 percent; and (4) Ukraine—42.38 and 42.88 percent.[8]

## The subject merchandise

### Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[9]

> *The merchandise covered by the scope of these investigations is seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in nominal outside diameter, regardless of wall-thickness, manufacturing process (e.g., hot-finished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or "hollow profiles" suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials (ASTM) or American Petroleum Institute (API) specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusions discussed below.*
>
> *Specifically excluded from the scope of the investigations are: (1) All pipes meeting aerospace, hydraulic, and bearing tubing specifications, including pipe produced to the ASTM A-822 standard; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the investigations are all mechanical, boiler, condenser and heat*

[8] 85 FR 47176, August 4, 2020.
[9] 85 FR 47176, August 4, 2020.

*exchange tubing, except when such products conform to the dimensional requirements, i.e., outside diameter and wall thickness, of ASTM A-53, ASTM A-106 or API 5L specifications.*

*Subject seamless standard, line, and pressure pipe are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.*

## Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is imported under the following provisions of the Harmonized Tariff Schedule of the United States ("HTS"): 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070. SSLP Pipe provided for in the covered subheadings is accorded a column-1 general duty rate of "Free."[10] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[10] *HTSUS (2019) Revision 18*, USITC Publication 5102, July 2020, pp. 73-3, 73-9 - 73-10, 73-12 - 73-13.

**Section 232 tariff treatment**[11]

SSLP pipe classifiable under HTS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 were included in the enumeration of iron and steel articles that became subject to the additional 25 percent ad valorem Section 232 duties,[12] as of March 23, 2018.[13] See also U.S. notes 16(a) and 16(b) of subchapter III of HTS chapter 99.[14] At this time, imports of SSLP pipe from Czechia, Ukraine, and Russia are subject to 25 percent additional duties; imports of SSLP pipe from Korea are subject to annual quota limits (see table I-2).[15]

Treatment under Section 232 with respect to the subject merchandise in these investigations are as follows:[16]

**Czechia –** Imports of SSLP pipe from Czechia and other European Union ("EU") member countries were initially exempted from the Section 232 duties when they became effective as of March 23, 2018.[17] On June 1, 2018, the European Union's exemption from the Section 232 duties was discontinued. Imports of SSLP pipe from Czechia and other EU member countries continue to remain subject to the 25 percent Section 232 duties.[18]

**Korea –** Imports of SSLP Pipe from Korea were initially exempted from the Section 232 duties when they became effective as of March 23, 2018.[19] On May 1, 2018, the exemption for Korea

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[11] A summary of section 232 measures, by country, is provided in Appendix D.

[12] Section 232 of the *Trade Expansion Act of 1962*, as amended (19 U.S.C. 1862) authorizes the President, on advice of the Secretary of Commerce, to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

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

[14] *HTSUS (2019) Revision 18*, USITC Publication 5102, July 2020, pp. 99-III-5 - 99-III-7, 99-III-203, 99-III-205 - 99-III-206.

[15] The composition of the quota product groups may not exactly match the product scope of this investigation. See the CBP quota bulletin at https://www.cbp.gov/trade/quota/bulletins/qb-19-008-2019-absolute-quota-steel-mill-articles-first-quarter-limits for a full list of product groups as well as their specified quotas and HTS definitions.

[16] For a list of Section 232 Presidential Proclamations affecting imports of steel articles, see Appendix E, table E-1.

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

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

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

was continued, however imports from Korea became subject to annual quota limits.[20] Table I-2 summarizes these limits by each respective subheading subject to these investigations.

**Table I-2**
**SSLP pipes: Section 232 annual quantitative limitations for Korea**

| Chapter 99 | Article description | Annual limit (kilograms) | Annual limit (short tons) |
|---|---|---|---|
| 9903.80.20 | Line pipe not exceeding 406.4 mm in outside diameter, provided for in subheading 7304.19.10, 7304.19.50, 7306.19.10, or 7306.19.51.[1] | 51,383,847 | 56,641 |
| 9903.80.21 | Other line pipe, provided for in subheading 7306.19.10 or 7306.19.51.[2] | 250,007,048 | 275,586 |
| 9903.80.22 | Standard pipe, provided for in subheading 7304.39.00, 7304.59.80, or 7306.30.50.[3] | 69,469,685 | 76,577 |
| 9903.80.24 | Mechanical tubing and other products, provided for in subheadings 7304.31.30, 7304.31.60, 7304.39.00, 7304.51.10, 7304.51.50, 7304.59.10, 7304.59.60, 7304.59.80, 7304.90.50, 7304.90.70, 7306.30.10, 7306.30.50, 7306.50.10, 7306.50.50, 7306.61.50, 7306.61.70, 7306.69.50 or 7306.69.70.[4] | 8,438,050 | 9,301 |

[1] Except for the following HTS statistical reporting numbers: 7304.19.1080; 7304.19.5080, 7306.19.1050, and 7306.19.5150.
[2] Except for the following HTS statistical reporting numbers: 7306.19.1010 and 7306.19.5110.
[3] Except for the following HTS statistical reporting numbers: 7304.39.0002, 7304.39.0004, 7304.39.0006, 7304.39.0008, 7304.39.0028, 7304.39.0032, 7304.39.0040, 7304.39.0044, 7304.39.0052, 7304.39.0056, 7304.39.0068 and 7304.39.0072, 7304.59.8020, 7304.59.8025, 7304.59.8035, 7304.59.8040, 7304.59.8050, 7304.59.8055, 7304.59.8065 and 7304.59.8070; 7306.30.5010, 7306.30.5015, 7306.30.5020 and 7306.30.5035.
[4] Except for the following HTS statistical reporting numbers: 7304.31.6010, 7304.39.0002, 7304.39.0004, 7304.39.0006, 7304.39.0008, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.39.0076 and 7304.39.0080; 7304.51.5005, 7304.51.5015 and 7304.51.5045, 7304.59.8010, 7304.59.8015, 7304.59.8030, 7304.59.8045, 7304.59.8060 and 7304.59.8080; 7306.30.5010, 7306.30.5025, 7306.30.5028, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085 and 7306.30.5090; 7306.50.5010; 7306.61.7030; 7306.69.7030.

Source: U.S. Customs and Border Protection ("CBP"), "QB 20-602 2020 2QTR Absolute Quota for Steel Mill Articles: Argentina, Brazil and South Korea," https://www.cbp.gov/trade/quota/bulletins/qb-20-602-2020-2qtr-absolute-quota-steel-mill-articles-argentina-brazil-and-south-korea, retrieved July 31, 2020.

**Russia and Ukraine** – Imports of SSLP Pipe from Russia and Ukraine have been subject to the Section 232 duties since they took effect on March 23, 2018.[21]

[20] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018.
[21] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

**Section 301 tariff treatment**

U.S. imports of SSLP pipe originating in China are currently subject to an additional 7.5 percent ad valorem Section 301 duties,[22] as of February 14, 2020.[23] See also U.S. notes 20(r), and 20(s) to subchapter III of HTS chapter 99.[24]

# The product

## Description and applications[25]

Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the American Society for Testing and Materials ("ASTM") standard ASTM A-106 may be used in temperatures of up to 1,000 degrees Fahrenheit, at various American Society of

[22] Section 301 of the *Trade Act of 1974*, as amended (19 U.S.C. § 2411) authorizes the Office of the United States Trade Representative ("USTR"), at the direction of the President, to take appropriate action to respond to a foreign country's unfair trade practices. On August 18, 2017, USTR initiated an investigation into certain acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation (82 FR 40213, August 24, 2017). On April 6, 2018, USTR published its determination that the acts, policies, and practices of China under investigation are unreasonable or discriminatory and burden or restrict U.S. commerce, and are thus actionable under section 301(b) of the Trade Act (83 FR 14906, April 6, 2018).

[23] SSLP Pipe is among the products included in the USTR's first list to the fourth enumeration ("List 1 to Tranche 4") of the products originating in China that became subject to the additional 10 percent ad valorem Section 301 duties (Annexes A and B to 84 FR 43304), as of September 1, 2019 (84 FR 43304, August 20, 2019), which was subsequently increased to 15 percent while retaining the same date (84 FR 45821, August 30, 2019). As of February 14, 2020, the 15 percent duty was reduced to 7.5 percent for the products enumerated on List 1 to Tranche 4 (85 FR 3741, January 22, 2020).

A product exclusion was granted on July 7, 2020 for "Seamless tubes, of circular cross-section, of 304L stainless steel, cold-rolled, with an external diameter of not more than 21.1 mm, with the thickness of the tube wall not more than 2.9 mm, each tube measuring at least 2,964 mm but not more than 6,350 mm in length (described in statistical reporting number 7304.41.6045)" however this product does not fall within the scope of these investigations. *Notice of Product Exclusions and Amendments: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 85 FR 41658, July 10, 2020.

[24] *HTSUS (2020) Revision 18, USITC publication 5102*, July 2020, pp. 99-III-84 - 99-III-85, 99-III-95, 99-III-214.

[25] Unless specified elsewhere, information in this section is derived from the petition (see Petition, pp. 8-10) and *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Investigation Nos. 701-TA-469 and 731-TA-1168 (Review), pp. I-4-6.

Mechanical Engineers ("ASME") code stress levels. Alloy pipes meeting the ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are commonly produced to ASTM A-53 and generally are not intended for high temperature service. Rather, they are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related end uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed the relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

Seamless line pipes are intended for the conveyance of oil, natural gas, or other fluids in pipelines. Seamless line pipes are produced to the API 5L specification. Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water. Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers typically triple or quadruple certify pipes by meeting the metallurgical requirements and performing the required tests pursuant to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary applications of ASTM A-106 pressure pipes and triple or quadruple certified pipes are: (1) oil and gas distribution lines for commercial applications; (2) pressure piping systems by refineries, petrochemical plants, and chemical plants; (3) power generation plants (electrical-fossil fuel or nuclear); and (4) some oil field uses (on shore and offshore) such as for separator lines, gathering lines, and metering runs. These applications constitute the majority of the market for the subject seamless pipe.

Redraw hollows are any unfinished pipe or "hollow profiles" of carbon or alloy steel transformed by hot rolling or cold drawing/hydrostatic testing or other methods to enable the material to be sold under ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications.

Table I-3 provides a summary of certain ASTM and API standard specifications covered by these investigations.

**Table I-3**
**SSLP pipes: ASTM and API standard specifications**

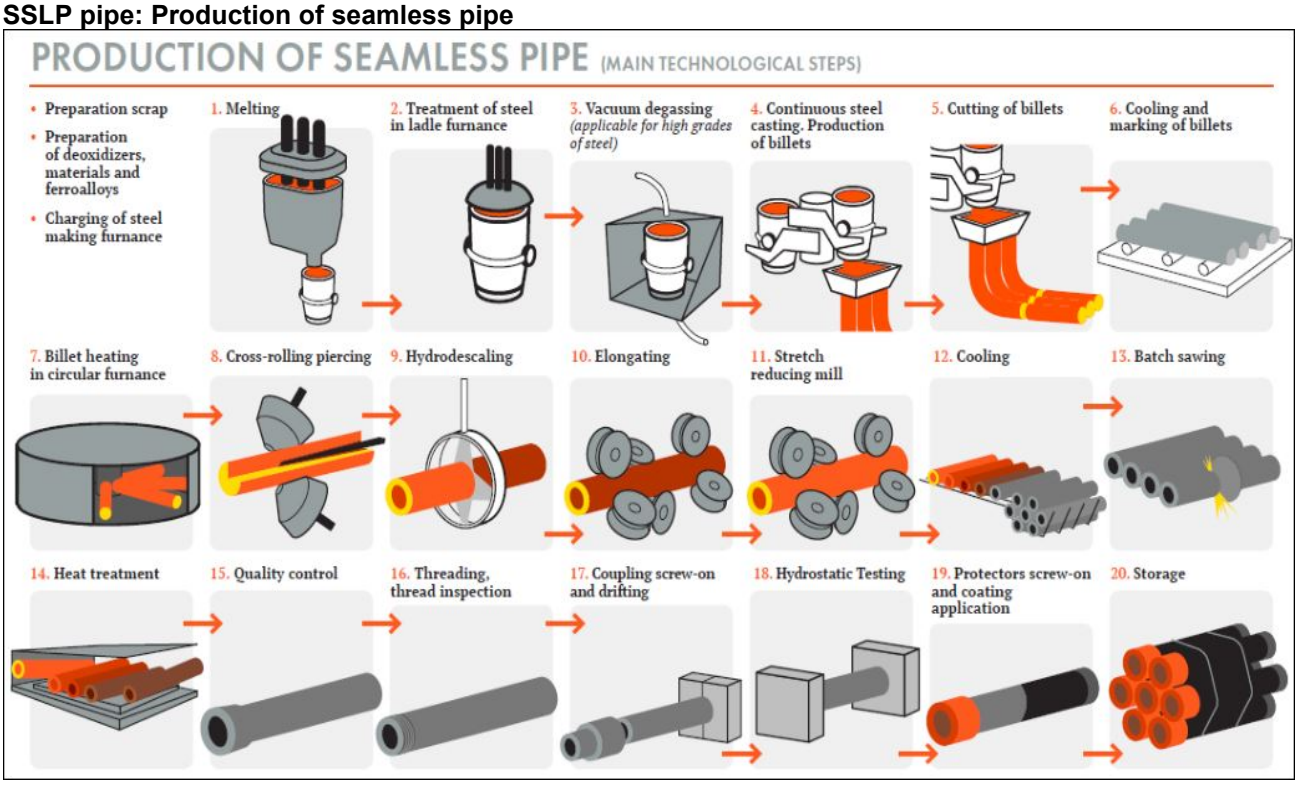
| Specification | Description | Applications |
|---|---|---|
| ASTM A-53 | Seamless and welded, black and hot-dipped galvanized nominal (average) wall pipe for coiling, bending, flanging and other special purposes. Suitable for welding. | Mechanical and pressure applications. Also acceptable for ordinary uses in steam, water, gas and air lines. |
| ASTM A-106 | Seamless carbon steel nominal wall pipe for high-temperature service. | Construction of oil and gas refineries, power plants, petrochemical plants, boilers, and ships where the piping must transport fluids and gases that exhibit higher temperatures and pressure levels. |
| ASTM A-333 | Nominal (average) wall seamless and welded carbon and alloy steel pipe. | Low temperature applications. |
| ASTM A-334 | Various grades of minimum-wall-thickness, seamless and welded, carbon and alloy-steel tubes. | Low temperatures applications for petrochemical, marine, food processing, and oil and gas industries. |
| ASTM A-589 | Plain end or threaded and coupled carbon steel pipe in four types of water well piping: type I, drive pipe; type II, water-well reamed and drifted pipe; type III, driven well pipe; and type IV, water-well casing pipe. | For use in water wells. |
| ASTM A-795 | Black and hot-dipped zinc-coated (galvanized) welded and seamless steel pipe. | Fire protection systems. |
| ASTM A-1024 | Seamless, black, plain-end steel pipes. | Conveyance of fluids under pressure. |
| API 5L | Seamless and welded steel pipe. | Pipeline in the transportation of petroleum and natural gas. |

Sources: American Piping Products, "A53 Pipe Specification," https://www.amerpipe.com/steel-pipe-products/carbon-pipe/a53/a53-specifications/, retrieved July 20, 2020; American Piping Products, "A106 Pipe Specification," https://www.amerpipe.com/steel-pipe-products/carbon-pipe/a106/a106-specifications/, retrieved July 20, 2020; American Piping Products, "A333 Pipe Specification," https://www.amerpipe.com/steel-pipe-products/low-temperature-steel-pipe/a333/, retrieved July 20, 2020; Marc Steel, "ASME SA/ ASTM A 334," https://www.marcsteelindia.com/astm-a334-gr-6-carbon-steel-seamless-pipe-tube-manufacturer-supplier/, retrieved July 20, 2020; ASTM International, "ASTM A589/A589M – 06(2018)," https://www.astm.org/Standards/A589.htm, retrieved July 20, 2020; ASTM International, "ASTM A795 / A795M - 13(2020)," https://www.astm.org/Standards/A795.htm, retrieved July 20, 2020; ASTM International, "ASTM A1024 / A1024M – 18," https://www.astm.org/Standards/A1024.htm, retrieved July 20, 2020; American Piping Products, "API 5L Seamless & Welded Pipe," https://www.amerpipe.com/steel-pipe-products/api-5l-pipe-specifications/, retrieved July 20, 2020.

## Manufacturing processes[26]

In the United States, steel used to produce SSLP pipe is made by either (1) the basic-oxygen process, in which ferrous scrap is added to molten pig iron and alloying materials and converted into molten steel, or by (2) the electric-arc furnace process, in which ferrous scrap, direct-reduced iron, cold pig iron, and alloying materials are melted to convert into molten steel. The chemical composition of steel, including level of carbon, manganese, and other alloying materials is controlled in the melting process. Molten steel produced by either steelmaking process is continuously cast into either round or square billets, which are the starting materials for the production of SSLP pipe. SSLP pipe producers that do not maintain steelmaking operations purchase billets or redraw hollows as their raw material. Figure I-1 summarizes the production process for seamless pipe.

**Figure I-1**
**SSLP pipe: Production of seamless pipe**




Source: "Mill Tolerance in Seamless Pipe," https://akhmadmarufnur.blogspot.com/2018/06/mill-tolerance-in-seamless-pipe.html, retrieved July 31, 2020.

[26] Unless specified elsewhere, information in this section is derived from *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Investigation Nos. 701-TA-469 and 731-TA-1168 (Review), pp. I-6-9.

SSLP pipe is typically manufactured by the rotary piercing process that forms a central cavity in a solid steel billet at high temperature. A heated billet is gripped by angled rolls that rotate and advance it over a piercer point, forming a hole throughout the billet's length. The resulting "hollow shell" is then rolled with either a fixed-plug or a continuous mandrel inside the shell to reduce the wall thickness and increase the length. The shell is then rolled in a sizing mill or a stretch-reduction mill where it is formed into a true (perfectly) round and sized to the specified diameter.

The pipe then undergoes a non-destructive inspection process (e.g., electronic magnetic inspection or an ultrasonic inspection) to determine whether there are surface or internal defects in the wall of the pipe. Depending on the grade of steel requested by the final customer, the product may also undergo a heat treatment process on the production line or in a different location within the same production facility. The manufacturer will confirm that the desired mechanical properties of the final product have been met via a non-destructive testing process.[27]

The last stage of the production process is the finishing stage. If required by the final customer, the manufacturer may bevel the pipe ends during this stage. Other requirements could include specific stenciling, coating, or varnishing to protect the pipes from corrosion during transportation or storage before final end-use applications. Depending on the size of the pipe, the subject product may also undergo a packaging operation (i.e., bundling) for easier handling.[28]

Different manufacturing processes and technologies are used worldwide for the production of SSLP pipe, and there may be similarities and differences between the production technology used by domestic and foreign producers.[29] Certain U.S. producers, including the petitioner Vallourec as well as Tenaris and Benteler, have installed Danieli Fine Quality Mills (FQM™), which are among the most efficient rolling operations in the world, at a capital cost of approximately $1 billion each.[30] Danieli's FQM™ technology is suitable for a wide range of pipe sizes and grades of steel, and the manufacturing process for this type of mill is flexible and appropriate for both high and low production volumes.[31]

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[27] Conference transcript, p. 58 (Arevalo).
[28] Conference transcript, pp. 58-59 (Arevalo).
[29] Conference transcript, p. 57 (Arevalo).
[30] Conference transcript, p. 59 (Polk).
[31] Danieli, "Seamless Pipe Mills and Finishing Lines," https://www.danieli.com/en/products/products-processes-and-technologies/extrusion_26_31.htm, retrieved August 3, 2020.

## Domestic like SSLP pipe issues

No issues with respect to domestic like SSLP pipe have been raised in these investigations. The petitioner proposes that the Commission define a single domestic like product that is coextensive with the scope of the investigations consisting of all SSLP pipe. Respondents do not contest the domestic like product definition for the preliminary phase of these investigations.[32]

[32] Respondent Interpipe's postconference brief, p. 4; Conference transcript, p. 85 (Wessel).

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

## U.S. market characteristics

SSLP pipe is mainly used in oil and gas transmission, in addition it can be used in other construction and industrial uses. SSLP pipe is sold in both carbon steel and alloy steel grades, in a range of sizes through 16 inches in outside diameter.[1] Seamless pipe is commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. SSLP pipe producers typically triple or quadruple certify the pipes to avoid maintaining separate production runs and separate inventories.[2] Oil and gas exploration is a key driver of demand for SSLP pipe.[3] SSLP pipe is generally sold to distributors, and demand mainly follows the demand trends of oil and gas markets.[4] As discussed in "U.S. demand," oil and gas prices and rig counts increased in the first half of the period of investigation but declined beginning in 2019, with precipitous declines between March and July 2020. No firms reported product changes since January 1, 2017.

Apparent U.S. consumption of SSLP pipe fluctuated during 2017-19, increasing by *** percent from 2017 to 2018 and decreasing by *** percent from 2018 to 2019. Overall, apparent U.S. consumption in 2019 was *** percent lower than in 2017. Apparent U.S. consumption was *** percent lower in January-March 2020 than in January-March 2019.

Firms were asked if the imposition of tariffs or other restrictions on imported steel and aluminum products associated with section 232 had an impact on the SSLP pipe market in the United States (table II-1). Almost all U.S. producers and importers reported that section 232 tariffs did have an impact on the SSLP pipe market, however responses were mixed regarding the impact of these tariffs on different market factors. Two U.S. producers reported that the supply of domestic SSLP pipe fluctuated, two reported no change, and one reported a decrease while most importers reported either supply of domestic SSLP pipe increased or was unchanged. Most U.S. producers reported the supply of imported SSLP pipe increased while most importers reported it decreased. Most importers reported SSLP pipe prices increased, while U.S. producers most frequently reported prices fluctuated or increased. U.S. producers

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[1] *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania, Inv. Nos. 731-TA-847 and 849 (Third Review*, "*)*, ("*SSLPP Japan and Romania Third Review*"), USITC Publication 4731, p. II-1.

[2] Petition, p. 9.

[3] Conference transcript, p. 7 (Drake).

[4] *SSLPP Japan and Romania Third Review*, USITC Publication 4731, p. II-1.

were also split on the impact the section 232 measures had on overall demand: two reported demand fluctuated and two reported no change. A plurality of importers, on the other hand, reported that demand declined due to the section 232 measures.

**Table II-1**
**SSLP pipe: Firms' responses regarding impact of section 232 measures on SSLP market**

| Item | Increase | No change | Decrease | Fluctuate |
|---|---|---|---|---|
| **Supply of U.S. produced SSLP pipe** | | | | |
| U.S. producers | --- | 2 | 1 | 2 |
| Importers | 5 | 3 | 1 | 1 |
| **Supply of imported SSLP pipe** | | | | |
| U.S. producers | 3 | 1 | --- | 1 |
| Importers | 1 | 1 | 5 | 3 |
| **Price of SSLP pipe** | | | | |
| U.S. producers | 2 | --- | 1 | 2 |
| Importers | 6 | --- | --- | 4 |
| **Overall demand for SSLP pipe** | | | | |
| U.S. producers | --- | 2 | 1 | 2 |
| Importers | 1 | 3 | 4 | 2 |

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

## Channels of distribution

U.S. producers and importers sold mainly to distributors, as shown in table II-2. U.S. producers sold a larger share to end users than did importers over the period.

**Table II-2**
**SSLP pipe: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2017-19, January-March 2019, and January-March 2020**

| Item | Period | | | | |
|---|---|---|---|---|---|
| | Calendar year | | | January-March | |
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Share of reported shipments (percent) | | | | |
| **U.S. producers' U.S. shipments of SSLP pipe:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |
| **U.S. importers' U.S. shipments of SSLP pipe from Czechia:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |
| **U.S. importers' U.S. shipments of SSLP pipe from Korea:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |
| **U.S. importers' U.S. shipments of SSLP pipe from Russia:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |
| **U.S. importers' U.S. shipments of SSLP pipe from Ukraine:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |
| **U.S. importers' U.S. shipments of SSLP pipe from subject countries:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |
| **U.S. importers' U.S. shipments of SSLP pipe from all other countries:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |
| **U.S. importers' U.S. shipments of SSLP pipe from all countries:** | | | | | |
| Distributors | *** | *** | *** | *** | *** |
| End users | *** | *** | *** | *** | *** |

Note: No importers reported shipments of in scope product from Russia in this preliminary phase investigation.

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

# Geographic distribution

U.S. producers reported selling SSLP pipe to all regions in the contiguous United States (table II-3). All responding subject importers sold SSLP pipe to the Central Southwest region. Both responding importers of SSLP from Ukraine and at least one importer of SSLP pipe from Czechia sold to all U.S. regions. For U.S. producers, 7.9 percent of sales were within 100 miles of their production facility, 59.4 percent were between 101 and 1,000 miles, and 32.7 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-3**
**SSLP pipe: Geographic market areas in the United States served by U.S. producers and importers**

| Region | U.S. producers | Czechia | Korea | Russia | Ukraine | Subject Importers |
|---|---|---|---|---|---|---|
| Northeast | 6 | 1 | --- | --- | 2 | 2 |
| Midwest | 6 | 1 | --- | --- | 2 | 2 |
| Southeast | 6 | 1 | --- | --- | 2 | 2 |
| Central Southwest | 6 | 4 | 1 | --- | 2 | 6 |
| Mountain | 5 | 1 | --- | --- | 2 | 2 |
| Pacific Coast | 5 | 1 | --- | --- | 2 | 2 |
| Other | 1 | 2 | --- | --- | 2 | 3 |
| All regions (except Other) | 5 | 1 | --- | --- | 2 | 2 |
| Reporting firms | 6 | 4 | 1 | --- | 2 | 6 |

Note: 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-4 provides a summary of the supply factors for SSLP pipe from U.S. producers and from subject countries. Capacity utilization was generally low, except for Ukraine, and producers typically do not hold a lot of inventory. Most responding firms (all but two U.S. producers) reported that they can shift production to alternate products.

**Table II-4**
**SSLP pipe: Supply factors that affect the ability to increase shipments to the U.S. market**

| Country | Capacity (thousands of short tons) | | Capacity utilization (percent) | | Ratio of inventories to total shipments (percent) | | Shipments by market, 2019 (percent) | | Able to shift to alternate products |
|---|---|---|---|---|---|---|---|---|---|
| | 2017 | 2019 | 2017 | 2019 | 2017 | 2019 | Home market shipments | Exports to non-U.S. markets | No. of firms reporting "yes" |
| United States | *** | *** | *** | *** | *** | *** | *** | *** | 4 of 6 |
| Czechia | *** | *** | *** | *** | *** | *** | *** | *** | 3 of 3 |
| Korea | *** | *** | *** | *** | *** | *** | *** | *** | 0 of 0 |
| Russia | *** | *** | *** | *** | *** | *** | *** | *** | 2 of 2 |
| Ukraine | *** | *** | *** | *** | *** | *** | *** | *** | 1 of 1 |
| All subject foreign producers | *** | *** | *** | *** | *** | *** | *** | *** | 6 of 6 |

Note: Responding U.S. producers accounted for virtually all of U.S. production of SSLP pipe in 2019. Responding foreign producer/exporter firms accounted for the majority of U.S. imports of SSLP pipe from Czechia, more than half for Russia, and the vast majority for Ukraine during 2019. No foreign producer/exporter firms responded from Korea. 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 SSLP pipe have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced SSLP pipe to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of large amounts of unused capacity and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited inventories and limited ability to shift shipments from alternate markets.

U.S. producers' capacity increased and production fluctuated during 2017-19, leading to an overall decrease in capacity utilization. Both capacity and production were lower in January-March 2020 than in January-March 2019. Exports, as a share of total shipments, were small during 2017-19; reported export markets were Canada, ***. Other products that producers reportedly can produce on the same equipment as SSLP pipe are OCTG, drill pipe, mechanical pipe, structural pipe, coupling stock, casing, tubing, fitting pipe, and welded products. U.S. producers reported between *** percent and *** percent of their overall production on the same equipment was OCTG and between *** percent and *** percent was SSLP pipe. Factors affecting U.S. producers' ability to shift production include mill capacity, product mix, lack of full crews on all shifts, market conditions,

maintenance schedules, unexpected downtime, and finishing and inspection equipment capacity.

**Subject imports from Czechia**

Based on available information, producers of SSLP pipe from Czechia have the ability to respond to changes in demand with large changes in the quantity of shipments of SSLP pipe to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, ability to shift shipments from alternate markets, and ability to shift production to or from alternate products. A factor mitigating responsiveness of supply is limited availability of inventories.

Czech producers' capacity increased while production fluctuated during 2017-19, leading to an overall decrease in capacity utilization. Major export markets include ***. Other products that responding foreign producers reportedly can produce on the same equipment as SSLP pipe are ***. Factors affecting foreign producers' ability to shift production include ***.

**Subject imports from Korea**

No Korean producers responded to the Commission's foreign producer questionnaire.

**Subject imports from Russia**

Based on available information, producers of SSLP pipe from Russia have the ability to respond to changes in demand with large changes in the quantity of shipments of SSLP pipe to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, ability to shift some shipments from alternate markets, and ability to shift production to or from alternate products. A factor mitigating responsiveness of supply includes limited availability of inventories.

Russian producers' capacity and production decreased, resulting in decreased capacity utilization during 2017-19. Major export markets include ***. Other products that foreign producers reported they can produce on the same equipment as SSLP pipe are

***. Factors affecting foreign producers' ability to shift production include ***.

**Subject imports from Ukraine**

Based on available information, producers of SSLP pipe from Ukraine have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of SSLP pipe to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some unused capacity, ability to shift shipments from alternate markets or inventories, and ability to shift production to or from alternate products. A factor mitigating responsiveness of supply includes limited availability of inventories.

Interpipe Ukraine's capacity *** while production *** during 2017-19, leading to a *** in capacity utilization. Interpipe Ukraine's reported principal export markets include ***. The other product that Interpipe Ukraine reportedly can produce on the same equipment as SSLP pipe is ***. Interpipe Ukraine reported that ***.

**Imports from nonsubject sources**

Nonsubject imports accounted for *** percent of total U.S. imports in 2019. The largest sources of nonsubject imports during 2017-19 were China, Germany, Italy, Japan, Mexico, and Romania. Combined, these countries accounted for 53 percent of nonsubject imports in 2019.

**Supply constraints**

Only one of five U.S. producers (***) reported a supply constraint; it reported that due to high levels of imports, it was forced to ***. None of the nine responding importers reported a supply constraint.

## U.S. demand

Based on available information, the overall demand for SSLP pipe is likely to experience small-to-moderate changes in response to changes in price. The main contributing factors are the limited range of substitute products and the small cost share of SSLP pipe in most of its end-use products.

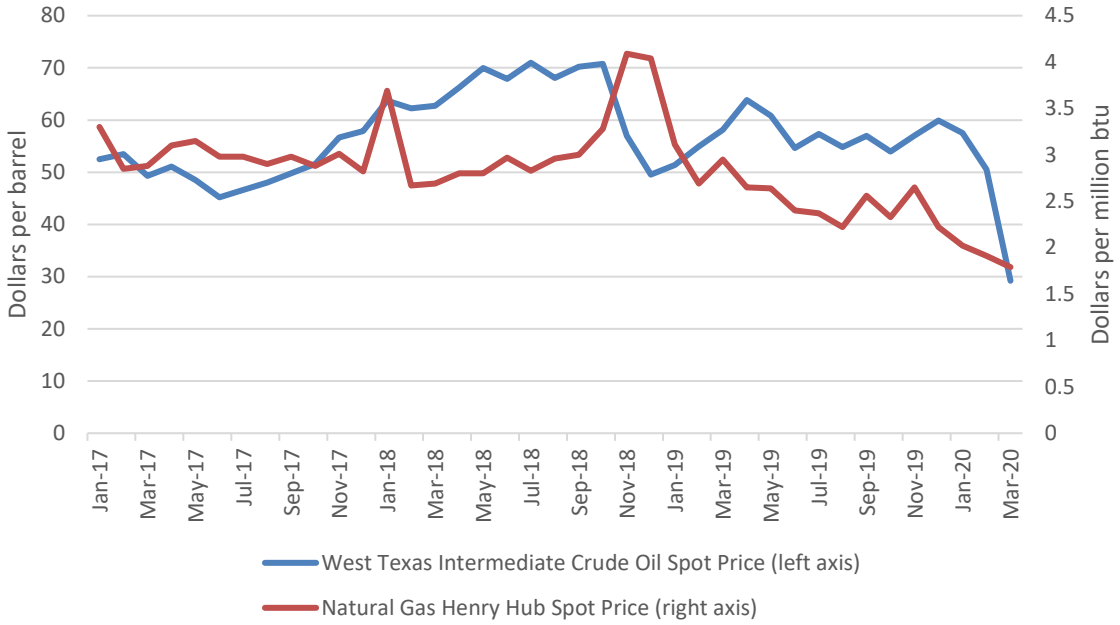
Demand for SSLP pipe is linked to the demand trends in the oil and gas markets.[5] As shown in figure II-1, crude oil prices generally increased from January 2017 to October 2018 before declining irregularly through 2019 and declining sharply between January and March 2020. Between its peak in July 2018 at approximately $71 per barrel to its lowest point in March 2020 at approximately $29 per barrel, crude oil prices declined by 59 percent. Overall, crude oil prices declined by 44 percent from January 2017 to March 2020. Natural gas prices followed a similar trend; prices increased irregularly from January 2017 to their peak in November 2018 before declining by 56 percent through March 2020. According to the U.S. Energy Information Administration (EIA), U.S. consumption of petroleum products fell to its lowest level in decades because of measures that limit travel and because of the general economic slowdown induced by mitigation efforts for COVID-19.[6] In turn, oil and gas prices declined in 2020. Subsequently, the Russia-Saudi price war stemming from a disagreement in oil production in the face of plummeting demand "plunged" oil prices to below zero.[7]

[5] Conference transcript, p. 7 (Drake) and p. 90 (Valk).

[6] U.S. Energy Information Administration, "COVID-19 mitigation efforts result in lowest U.S. petroleum consumption in decades," https://www.eia.gov/todayinenergy/detail.php?id=43455, April 23, 2020.

[7] Conference transcript, p. 81 (Valk).

**Figure II-1**
**Oil and gas prices: Monthly crude oil spot and natural gas prices, January 2017 to March 2020**

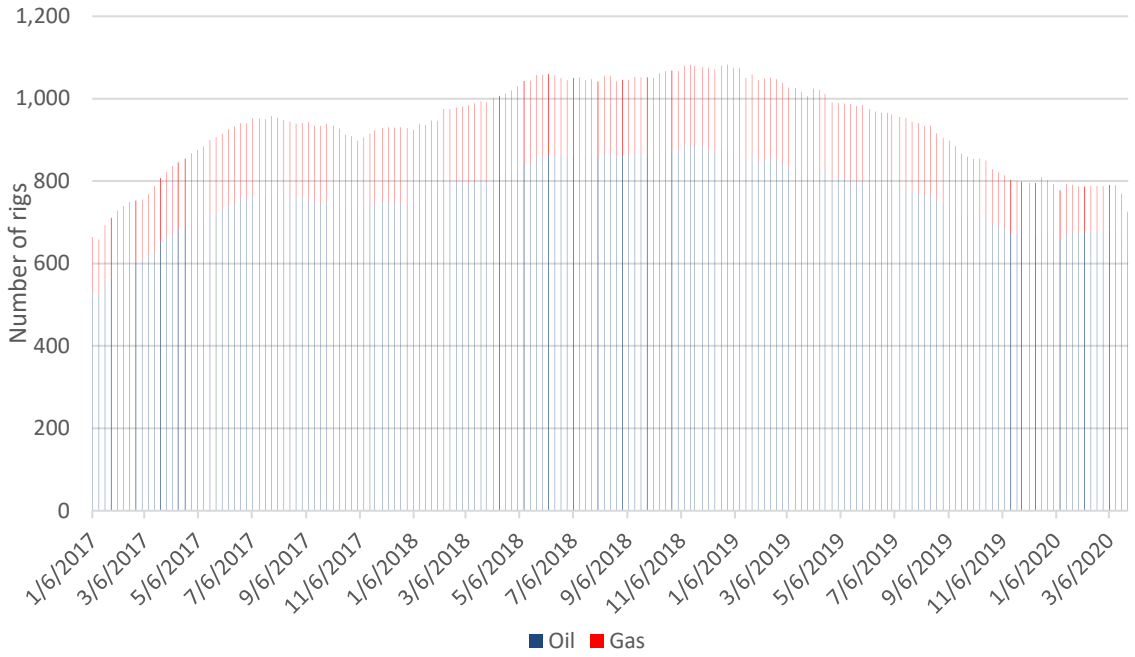



Source: U.S. Energy Information Administration, https://www.eia.gov/outlooks/steo/data/browser/#/?v=8&f=M&s=&start=201701&end=202112&id=&maptype=0&ctype=linechart&linechart=WTIPUUS, accessed July 20, 2020.

The oil and gas rig count in the United States is another indicator of demand for SSLP pipe. SSLP pipe is used in gathering lines, demand for SSLP pipe for this use depends upon the rig count.[8] The number of oil rigs increased by 68 percent from January 2017 to mid-November 2018 and then declined by 23 percent through March 2020.[9] Overall, the number of oil rigs increased by 18 percent from January 2017 to March 2020. Gas rigs followed a similar trend, increasing by approximately 50 percent from January 2017 to the second week of January 2019 and declining by approximately 50 percent through March 2020.[10] Overall, the number of gas rigs declined by 24 percent between January 2017 and March 2020.

[8] Conference transcript, p. 45 (Schagrin), and p. 89 (Valk).
[9] The oil rig count declined by 74 percent between March and July 2020.
[10] The gas rig count declined by 35 percent between March and July 2020.

**Figure II-2**
**Rig count: Baker Hughes North America rotary rig count, weekly, January 2017 to March 2020**




Source: Baker Hughes North America Rotary Rig Count, https://rigcount.bakerhughes.com/na-rig-count, accessed July 20, 2020.

## End uses and cost share

U.S. demand for SSLP pipe depends on the demand for U.S.-produced downstream products, particularly activity in the energy industry, in drilling, and in nonresidential construction. The primary applications for ASTM A-106 pressure pipes and triple or quadruple certified pipes are: use in oil and gas distributions lines for commercial applications, use in pressure piping systems for refineries, petrochemical plants, and chemical plants, use in power generation plants, and use in some on- and offshore oil fields.[11] Reported end uses include oil and gas pipelines, well gathering lines, process pipe/LP, refinery and chemical plants, hydrocarbon processing facilities, and automotive, industrial, and construction applications.

SSLP pipe accounts for a small share of the cost of the end-use products in which it is used. Reported cost shares for some end uses were 2 percent for well gathering lines, 5 percent for pipelines, and 3 percent for hydrocarbon processing facilitates.

[11] Petition, pp. 9-10.

**Business cycles**

All six U.S. producers and four of ten importers indicated that the market was subject to business cycles and/or distinct conditions of competition. Specifically, three U.S. producers and two importers reported that the SSLP pipe market is subject to business cycles and six producers and four importers reported that there are distinct conditions of competition, citing oil and gas demand and prices, industrial demand, seasonality with drilling activity, import competition, and slow business in the fourth quarter as inventory holders (distributors) become concerned with inventory taxes. U.S. producer/importer *** reported that the oil and gas market activity is strongly related to the oil price and that a sudden drop in oil price will result in "an abrupt change in activity down." It continued that the dramatic 2020 market crash has resulted in "unprecedented demand destruction."

Four U.S. producers and four importers reported that there had been changes to these cycles or conditions since January 1, 2017. Two producer/importers, ***, cited the historic decline in demand in 2020 as a result of the COVID-19 global pandemic, with severely diminished oil and gas demand impacting SSLP pipe demand. U.S. producer *** cited the section 232 measures and producer *** stated that imports of SSLP pipe increased and "took historic high levels of the domestic market during the period of investigation." Importer *** reported section 232 measures, COVID-19, and oil and gas markets, and importer *** stated that the implementation of section 232 measures made SSLP pipe from Korea and Mexico more competitive.

**Demand trends**

Most firms reported a decline or fluctuation in U.S. demand for SSLP pipe since January 1, 2017 (table II-5). Generally, firms cited an increase in demand for SSLP pipe in 2017 and 2018, before a slowdown in 2019, and an abrupt decline in 2020 due to COVID-19 and declining oil and gas pricing. Importer *** stated that demand softened in the energy markets due to a lack of demand and external investment in 2019. Importer *** reported that the reduction in petrochemical, LNG, and refinery projects reduced demand since 2017 and that the COVID-19 pandemic affected refineries utilization, and "HPI project execution," as well as offshore activity, significantly decreasing expected SSLP pipe demand.

**Table II-5**
**SSLP pipe: Firms' responses regarding U.S. demand and demand outside the United States**

| Item | Increase | No change | Decrease | Fluctuate |
|---|---|---|---|---|
| **Demand in the United States** | | | | |
| U.S. producers | --- | --- | 3 | 3 |
| Importers | --- | 2 | 5 | 4 |
| **Demand outside the United States** | | | | |
| U.S. producers | --- | --- | 2 | --- |
| Importers | --- | 1 | 2 | 2 |

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

### Substitute products

Substitutes for SSLP pipe are limited. Three U.S. producers and eight importers reported that there were no substitutes; and three U.S. producers and one importer reported that there are substitutes. Reported substitutes include welded or plastic pipe for onshore applications, ERW welded pipe for use in the gas industry, and drilled bar for various applications. U.S. producer/importer *** reported that the price of ERW pipe can affect the price of SSLP pipe in midstream operations because it's easy to switch from one product to another.

## Substitutability issues

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

### Lead times

SSLP pipe is primarily produced-to-order. U.S. producers reported that 96.8 percent of their commercial shipments were produced-to-order, with lead times averaging 64.1 days.[12] Importers reported that 99.3 percent of their commercial shipments were produced-to-order, with lead times averaging 104.6 days.[13]

[12] The remaining 3.2 percent of their commercial shipments came from inventories, with lead times averaging 7.6 days.

[13] The remaining 0.7 percent of their commercial shipments came from inventories, with lead times averaging 7.0 days.

## Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations[14] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for SSLP pipe. The major purchasing factors identified by firms include price (5 firms), quality (3), customer acceptance (2), lead time (2), delivery (1), availability (1), market activity/more domestic customers (1), and meets quality and commercial criteria (1).

## Comparison of U.S.-produced and imported SSLP pipe

In order to determine whether U.S.-produced SSLP pipe can generally be used in the same applications as imports from subject countries, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-6, all responding U.S. producers and most importers reported that domestically produced SSLP pipe and SSLP pipe imported from subject countries are "always" or "frequently" interchangeable. Of the two importers that reported "sometimes", *** reported that acceptance is dependent upon the customer and/or end user requirements and that it changes frequently and therefore any origin can be accepted at any given time. Importer *** reported that Czechia produces some thick walls that are not produced in the other subject countries or in the United States.

[14] This information is compiled from responses by purchasers identified as Petitioners' top 10 customers in 2019. See Part V for additional information.

**Table II-6**
**SSLP pipe: Interchangeability between SSLP pipe 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 | | | |
|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | A | F | S | N |
| **U.S. vs. subject countries:** | | | | | | | | |
| U.S. vs. Czechia | 3 | 2 | --- | --- | 3 | 3 | 2 | --- |
| U.S. vs. Korea | 4 | 2 | --- | --- | 4 | 2 | 1 | --- |
| U.S. vs. Russia | 3 | 3 | --- | --- | 4 | 1 | 1 | --- |
| U.S. vs. Ukraine | 3 | 2 | --- | --- | 4 | 2 | 1 | --- |
| **Subject countries comparisons:** | | | | | | | | |
| Czechia vs. Korea | 3 | 1 | --- | --- | 3 | 3 | 2 | --- |
| Czechia vs. Russia | 3 | 1 | --- | --- | 3 | 3 | 2 | --- |
| Czechia vs. Ukraine | 3 | 1 | --- | --- | 3 | 4 | 2 | --- |
| Korea vs. Russia | 3 | 1 | --- | --- | 4 | 1 | 1 | --- |
| Korea vs. Ukraine | 3 | 1 | --- | --- | 4 | 2 | 1 | --- |
| Russia vs. Ukraine | 3 | 1 | --- | --- | 4 | 2 | 1 | --- |
| **Nonsubject countries comparisons:** | | | | | | | | |
| U.S. vs. nonsubject | 2 | 4 | --- | --- | 2 | 5 | 2 | --- |
| Czechia vs. nonsubject | 2 | 2 | --- | --- | 2 | 4 | 2 | --- |
| Korea vs. nonsubject | 2 | 2 | --- | --- | 2 | 2 | 2 | --- |
| Russia vs. nonsubject | 2 | 2 | --- | --- | 1 | 3 | 2 | --- |
| Ukraine vs. nonsubject | 2 | 2 | --- | --- | 2 | 2 | 2 | --- |

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

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of SSLP pipe from the United States, subject, or nonsubject countries. As seen in table II-7, all responding U.S. producers and most responding importers reported that there are “sometimes” or “never” significant differences other than price between domestically produced SSLP pipe and SSLP pipe imported from subject countries. The importers that reported there are “always” or “frequently” differences cited quality differences, lead times, size production differences, approval from end users, reliability, technical support, transportation network, customer service, delivery timeline, product dimension, and suitability for end users' needs including qualifications. Respondent Interpipe argued that non-price factors limit competition between subject import supply and U.S. products, including Buy American requirements and “Made in America” preferences, the range

of sizes are only suitable for certain end users, U.S. distributors hold "tiers" of SSLP pipe stock, U.S. producer decisions on whether to produce OCTG or SSLP pipe, and section 232 tariffs.[15]

**Table II-7**
**SSLP pipe: Significance of differences other than price between SSLP pipe 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 | | | |
|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | A | F | S | N |
| **U.S. vs. subject countries:** | | | | | | | | |
| U.S. vs. Czechia | --- | --- | 2 | 3 | 3 | --- | 2 | 3 |
| U.S. vs. Korea | --- | --- | 2 | 4 | --- | 1 | 2 | 2 |
| U.S. vs. Russia | --- | --- | 2 | 4 | --- | --- | 2 | 4 |
| U.S. vs. Ukraine | --- | --- | 2 | 3 | --- | --- | 3 | 4 |
| **Subject countries comparisons:** | | | | | | | | |
| Czechia vs. Korea | --- | --- | 1 | 3 | 2 | --- | 2 | 3 |
| Czechia vs. Russia | --- | --- | 1 | 3 | 2 | --- | 2 | 4 |
| Czechia vs. Ukraine | --- | --- | 1 | 3 | 2 | --- | 3 | 4 |
| Korea vs. Russia | --- | --- | 1 | 3 | --- | --- | 2 | 3 |
| Korea vs. Ukraine | --- | --- | 1 | 3 | --- | --- | 3 | 3 |
| Russia vs. Ukraine | --- | --- | 1 | 3 | --- | --- | 3 | 4 |
| **Nonsubject countries comparisons:** | | | | | | | | |
| U.S. vs. nonsubject | --- | --- | 3 | 3 | 2 | 1 | 3 | 3 |
| Czechia vs. nonsubject | --- | --- | 2 | 2 | 2 | --- | 3 | 3 |
| Korea vs. nonsubject | --- | --- | 2 | 2 | --- | --- | 3 | 2 |
| Russia vs. nonsubject | --- | --- | 2 | 2 | --- | --- | 3 | 3 |
| Ukraine vs. nonsubject | --- | --- | 2 | 2 | --- | --- | 3 | 3 |

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

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

[15] Respondent Interpipe's postconference brief, pp. 13-20.

# Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of six firms that accounted for the vast majority of U.S. production of SSLP pipe during 2019.

## U.S. producers

The Commission issued a U.S. producer questionnaire to 11 firms based on information contained in the petition and industry research. Six firms provided usable data on their operations.[1] Staff believes that these responses represent the majority of U.S. production of SSLP pipe.

Table III-1 lists U.S. producers of SSLP pipe, their production locations, positions on the petition, and shares of total production.

[1] *** submitted a questionnaire response that did not include the financial data. *** indicated that they have not produced SSLP pipe as of January 1, 2017.
***. Email message from ***, August 5, 2020.

**Table III-1**
**SSLP pipe: U.S. producers of SSLP pipe, their positions on the petition, production locations, and shares of reported production, 2019**

| Firm | Position on petition | Production location(s) | Share of production (percent) |
|---|---|---|---|
| Benteler | *** | Shreveport, LA | *** |
| PTC | *** | Darlington, PA<br>Fairbury, IL<br>Alliance, OH | *** |
| Tenaris | *** | Koppel, PA<br>Ambridge, PA<br>Bay City, TX | *** |
| TimkenSteel | *** | Canton, OH | *** |
| U. S. Steel Tubular | *** | Fairfield, AL<br>Lorain, OH | *** |
| Vallourec | Petitioner | Youngstown, OH<br>Houston, TX | *** |
| Total | | | *** |

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

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

**Table III-2**
**SSLP pipe: U.S. producers' ownership, related and/or affiliated firms, since January 1, 2017**

| Item / Firm | Firm Name | Affiliated/Ownership |
|---|---|---|
| **Ownership:** | | |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| **Related producers:** | | |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |

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

As indicated in table III-2, *** are related to foreign producers of the subject merchandise and *** U.S. producers are related to U.S. importers of the subject merchandise.[2] In addition, as discussed in greater detail below, *** directly import the subject merchandise and *** purchase the subject merchandise from U.S. importers.

Table III-3 presents an overview of events that occurred in the domestic SSLP pipe industry since January 1, 2017.

**Table III-3**
**SSLP pipe: Important industry events, since January 1, 2017**

| Year | Company | Description of Event |
|---|---|---|
| 2017 | Tenaris SA and Vallourec | Closure/idling: Tenaris SA and Vallourec temporarily idled their Houston-area operations in August and early September due to Hurricane Harvey. Tenaris SA announced that it would not resume rolling operations at its Bay City, Texas mill until October.[1] |
| 2018 | U.S. Steel Tubular/United Steelworkers | Labor agreement: In October, U.S. Steel and the United Steelworkers (USW) reached a new four-year labor agreement covering 16,000 workers at U.S. Steel facilities, including its Fairfield, Alabama operations.[2] |
| 2019 | U.S. Steel Tubular | Expansion/modernization: In February, U.S. Steel announced that it would resume construction on a $215 million electric arc furnace project at its Fairfield, Alabama operations. The expansion also included the modernization of the existing rounds caster and was expected to add 150 full-time employees.[3] |
| | *** | ***. |
| | TimkenSteel | Closure: In November, Timken Steel announced that it would close a Houston-area facility that provided value-added and finishing services primarily to customers in the energy sector. The closure was expected to impact 97 employees.[4] |

Table continued.

[2] "As explained at the staff conference, Vallourec operates a joint venture with Interpipe in Ukraine that finishes certain seamless standard, line, and pressure pipe ("SSLP pipe") and exports that pipe exclusively to Europe." Petitioner's postconference brief, p. 2.

**Table III-3--Continued**

| Year | Company | Description of Event |
|---|---|---|
| 2020 | Tenaris SA | Acquisition: In January, Tenaris announced that it acquired U.S. steel pipe manufacturer IPSCO Tubulars, Inc. from PAO TMK for nearly $1.1 billion in cash.[5] |
| | Tenaris SA | Closure/idling: In March, Tenaris announced that it would idle certain tubemaking operations at the end of the month due to a collapse in oil prices. The announcement applied to the firm's billet mill in Koppel, Pennsylvania, and its seamless pipe mill in Ambridge, Pennsylvania.[6] |
| | U.S. Steel Tubular | Closure/idling: In March, U.S. Steel announced that it would idle its Lorain, Ohio tubular operations and issued a WARN notice to employees. 250 workers were expected to be laid off by May 24, 2020. The company noted that the decision was largely related to market conditions, including oil pricing, imports, and demand.[7] |
| | Benteler | Closure/idling: In March, Benteler announced that it would temporarily stop production at certain plants due to COVID-19.[8] |
| | Vallourec | Idling/layoff: In April, Vallourec announced that it would lay off 112 workers at its Muskogee, Oklahoma pipe operations due to uncertainty caused by COVID-19 and OPEC actions.[9] |
| | Vallourec | Idling/layoff: In April, Vallourec announced that it would lay off 59 workers at its Youngstown, Ohio operations, citing "unprecedented issues caused by the COVID-19 pandemic and the OPEC-Russia oil price war." Layoffs were expected to begin April 30 through May 13.[10] |

Sources:
[1] Association for Iron and Steel (AIST), "After Hurricane Harvey, Tenaris Pushes Back Bay City Schedule," September 5, 2017, https://www.aist.org/news/steel-news/2017/september/4-8-september-2017/after-the-hurricane,-tenaris-pushes-back-bay-city.
[2] United Steelworkers (USW), "USW Welcomes U.S. Steel Plan to Restart EAF Construction," February 11, 2019, https://m.usw.org/news/media-center/releases/2019/usw-welcomes-u-s-steel-plan-to-restart-eaf-construction.
[3] Thornton, "U.S. Steel restarting Fairfield furnace project, adding 150 jobs" *Al.com*, February 11, 2019, https://www.al.com/business/2019/02/us-steel-restarting-fairfield-furnace-adding-150-jobs.html.
[4] Pulsinelli, "Steel Manufacturer to Close Houston Facility, Cut Nearly 100 Jobs," Houston Business Journal, November 21, 2019, https://www.bizjournals.com/houston/news/2019/11/21/steel-manufacturer-to-close-houston-facility-cut.html.
[5] Veazey, "Tenaris Embarks on U.S. Expansion," Rigzone, January 3, 2020, https://www.rigzone.com/news/tenaris_embarks_on_us_expansion-03-jan-2020-160710-article/#:~:text=Tenaris%20S.A.%20reported%20Thursday%20that,nearly%20%241.1%20billion%20in%20cash.
[6] Druzin, "Tenaris to Idle Some US Ops Amid Oil Price Collapse," Argus Media, March 19, 2020, https://www.argusmedia.com/en/news/2088751-tenaris-to-idle-some-us-ops-amid-oil-price-collapse.
[7] O'Brien, "U.S. Steel to idle Lorain tubular plant, lay off 250 workers by May 24," *The Chronicle*, March 23, 2020, https://chroniclet.com/news/207586/us-steel-to-idle-lorain-tubular-plant-lay-off-250-workers-by-may-24/#:~:text=U.S.%20Steel%20has%20notified%20the,in%20a%20letter%20on%20Monday.
[8] Benteler, "Effects of COVID-19 on Benteler," March 20, 2020, https://www.benteler.com/en/media/latest-press-releases/detail/effects-of-covid-19-on-benteler/.
[9] *OK Energy Today*, "Nearly 90 Workers at Muskogee Pipe Plant Lose Their Jobs," April 16, 2020, http://www.okenergytoday.com/2020/04/nearly-90-workers-at-muskogee-pipe-plant-lose-their-jobs/.
[10] Gauntner, "Vallourec Lays Off 59 Youngstown Workers Amid Coronavirus, Low Oil Price," *WFMJ*, April 7, 2020, https://www.wfmj.com/story/41975901/vallourec-cutting-onethird-of-us-workforce.

Note: Brackets indicate business proprietary information that was obtained from questionnaires for which no public source was found.

Table III-4 presents U.S. producers' reported changes in operations since January 1, 2017.

**Table III-4**
**SSLP pipe: U.S. producers' reported changes in operations, since January 1, 2017**

| Item / Firm | Reported changed in operations |
|---|---|
| **Plant closings:** | |
| *** | *** |
| *** | *** |
| **Expansions:** | |
| *** | *** |
| **Acquisitions:** | |
| *** | *** |
| **Prolonged shutdowns or curtailments:** | |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |

Table continued.

**Table III-4--Continued**

| Item / Firm | Reported changed in operations |
|---|---|
| **Revised labor agreements:** | |
| *** | *** |
| **Other:** | |
| *** | *** |
| *** | *** |

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

## U.S. production, capacity, and capacity utilization

Table III-5 and figure III-1 present U.S. producers' production, capacity, and capacity utilization during 2017-19 and January to March 2020. Between 2017 and 2019, capacity remained flat for most U.S. producers, ***. During the same period, total production fell irregularly by 25.3 percent, increasing from 350,099 short tons in 2017 to 450,676 short tons in 2018, before decreasing to 261,518 short tons in 2019. As a result, capacity utilization fell in like manner, increasing to 55.7 percent in 2018, followed by a 23.5 percentage point decrease in 2019. Compared with January to March 2019, capacity utilization was nearly 20 percentage points lower in January to March 2020, due to lower capacity and much lower production in that time.[3]

[3] See table III-3 and table III-4 for U.S. producers' list of ***.

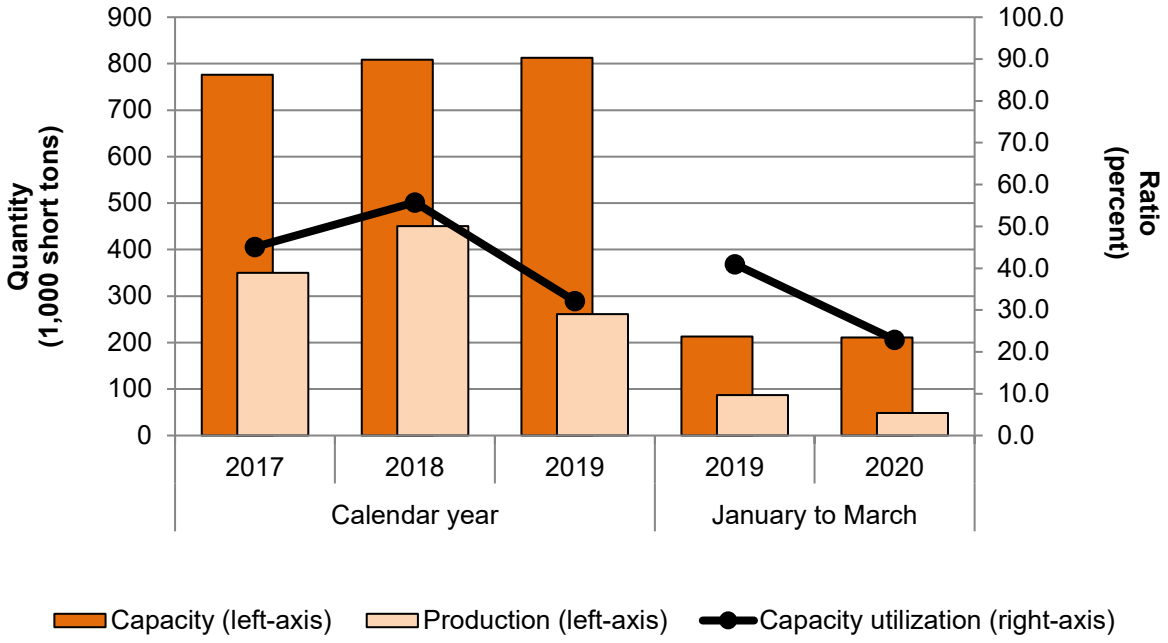
**Table III-5**
**SSLP pipe: U.S. producers' capacity, production, and capacity utilization, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Capacity (short tons) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| Tenaris | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | 776,495 | 808,601 | 812,517 | 213,056 | 210,677 |
| | Production (short tons) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| Tenaris | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | 350,099 | 450,676 | 261,518 | 87,320 | 48,263 |
| | Capacity utilization (percent) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| Tenaris | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | 45.1 | 55.7 | 32.2 | 41.0 | 22.9 |
| | Share of production (percent) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| Tenaris | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

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

**Figure III-1**
**SSLP: U.S. producers' capacity, production, and capacity utilization, 2017-19, January to March 2019, and January to March 2020**




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

## Alternative products

As shown in table III-6, *** percent of the products produced in 2019 by U.S. producers was SSLP pipe, ***. ***. Instead, overall, oil country tubular goods ("OCTG") comprised *** percent of products produced on the same equipment as SSLP pipe during 2017-19. Other out-of-scope production included SSLP pipe with outside diameter larger than 16 inches (*** percent in 2019) and other products (*** percent in 2019) that included OCTG coupling stock, structural pipe, mechanical tube, and drill pipe.

**Table III-6**
**SSLP pipe: U.S. producers' overall plant capacity and production on the same equipment as subject production, 2017-19**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| Overall capacity | *** | *** | *** | *** | *** |
| Production: SSLP pipe | *** | *** | *** | *** | *** |
| Out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |
| | Ratios and shares (percent) | | | | |
| Overall capacity utilization | *** | *** | *** | *** | *** |
| Share of production: SSLP pipe | *** | *** | *** | *** | *** |
| Share of out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |

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 from 2017 to 2019, including January to March 2020. During 2017-19, total U.S. producers' SSLP pipe shipments (including home market shipments and exports) irregularly decreased by 25.0 percent in quantity terms and 15.3 percent in value terms after a period high in 2018. Consequently, the unit values of U.S. producers' total shipments increased by 12.9 percent from $1,478 per short ton in 2017 to $1,703 per short ton in 2018 before receding to $1,669 per short ton in 2019. This pattern is largely driven by the change in U.S. commercial shipments over the time period, which were the majority of shipments (68.4 percent in 2019). *** reported transfers during 2017-19, which were *** percent of U.S. producers' shipments. In the same period, *** reported exports to ***, which were *** percent of total U.S. producers' shipments.

**Table III-7**
**SSLP pipe: U.S. producers' U.S. shipments, export shipments, and total shipments, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| Commercial U.S. shipments | 251,443 | 325,782 | 178,623 | 55,706 | 32,638 |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** |
| Total shipments | 348,204 | 454,460 | 261,029 | 80,499 | 49,717 |
| | Value (1,000 dollars) | | | | |
| Commercial U.S. shipments | 393,130 | 582,356 | 314,702 | 100,478 | 52,198 |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** |
| Total shipments | 514,706 | 773,886 | 435,708 | 138,649 | 76,067 |
| | Unit value (dollars per short ton) | | | | |
| Commercial U.S. shipments | 1,563 | 1,788 | 1,762 | 1,804 | 1,599 |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** |
| Total shipments | 1,478 | 1,703 | 1,669 | 1,722 | 1,530 |
| | Share of quantity (percent) | | | | |
| Commercial U.S. shipments | 72.2 | 71.7 | 68.4 | 69.2 | 65.6 |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** |
| Total shipments | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | Share of value (percent) | | | | |
| Commercial U.S. shipments | 76.4 | 75.3 | 72.2 | 72.5 | 68.6 |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** |
| Total shipments | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

## U.S. producers' inventories

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments between 2017 and 2019 with January to March 2020. During 2017-19, U.S. producers' end-of-period inventories decreased by *** short tons or *** percent, yet increased relative to both U.S. production and U.S. shipments, from *** percent in 2017 to *** percent in 2019.

**Table III-8**
**SSLP pipe: U.S. producers' inventories, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | 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

U.S. producers' imports and purchases of SSLP pipe are presented in table III-9. ***.[4] *** reported other purchases of SSLP pipe.

[4] Vallourec's production of SSLP pipe from its Youngstown, Ohio mill is restricted to "commodity-type" SSLP pipe in the 2- to 10-inch outer diameter range. As a result, Vallourec complements their product range with imported products. Conference transcript, p. 23-25 (Arevalo and Schagrin).

**Table III-9**
**SSLP pipe: U.S. producers' imports, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| | Ratio (percent) | | | | |
| *** | *** | *** | *** | *** | *** |
| | Narrative | | | | |
| *** | *** | | | | |
| | Quantity (short tons) | | | | |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| | Ratio (percent) | | | | |
| *** | *** | *** | *** | *** | *** |
| | Narrative | | | | |
| *** | *** | | | | |

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

## U.S. employment, wages, and productivity

Table III-10 shows U.S. producers' employment-related data between 2017 and 2019, and January to March 2020. From 2017 to 2018, the industry experienced increased production and related workers (PRWs), total hours worked, wages, and productivity, before receding slightly in 2019. Consequently, during 2017-19, production and related workers and total hours worked slightly increased by less than 3 percent, while total wages increased more substantially by 10.7 percent. At the same time, productivity fell sharply by 27.4 percent. Combined, this resulted in unit labor costs increasing by 48.3 percent during the period to $322 per short ton in 2019. Compared with January to March 2019, PRWs, total hours worked, wages paid, and particularly, productivity were all lower in January to March 2020, resulting in 45.2 percent higher unit labor costs.[5]

**Table III-10**
**SSLP pipe: U.S. producers' employment related data, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| Production and related workers (PRWs) (number) | 1,037 | 1,212 | 1,059 | 1,193 | 966 |
| Total hours worked (1,000 hours) | 2,051 | 2,489 | 2,109 | 674 | 547 |
| Hours worked per PRW (hours) | 1,978 | 2,054 | 1,992 | 565 | 566 |
| Wages paid ($1,000) | 76,045 | 102,856 | 84,215 | 23,443 | 18,818 |
| Hourly wages (dollars per hour) | $37.08 | $41.32 | $39.93 | $34.78 | $34.40 |
| Productivity (short tons per 1,000 hours) | 170.7 | 181.1 | 124.0 | 129.6 | 88.2 |
| Unit labor costs (dollars per short ton) | $217 | $228 | $322 | $268 | $390 |

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

[5] See tables III-3 and III-4 for U.S. producers' list of ***.

# Part IV: U.S. imports, apparent U.S. consumption, and market shares

## U.S. importers

The Commission issued importer questionnaires to 36 firms believed to be importers of subject SSLP pipe, as well as to all U.S. producers of SSLP pipe.[1] Usable questionnaire responses were received from 10 companies,[2] representing 63.8 percent of U.S. imports from Czechia, 2.2 percent of U.S. imports from Korea, 0 percent of U.S. imports from Russia,[3] and 92.1 percent of U.S. imports from Ukraine in 2019.[4] Import quantities and values presented in this report are derived from official U.S. import statistics using HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070,[5] and responses to Commission questionnaires, except as otherwise noted.[6]

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[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports under HTS statistical reporting numbers identified in the scope.

[2] Seven firms reported that they did not import SSLP pipe into the United States since January 1, 2017.

[3] "***." *** importer questionnaire response, section II-4.

***.

[4] The response rates presented are calculated based on a comparison of the quantity of 2019 U.S. imports of SSLP pipe as reported in the responses to the Commission's U.S. importer questionnaires with the total quantity of imports reported in 2019 U.S. official import statistics which are adjusted to exclude out-of-scope products.

[5] Respondent ChelPipe supports Respondent TMK's statement that, "[r]eliance on imports in these HTS categories is misplaced. These HTS categories cover a number of products, some of which are out of scope." Respondent TMK's postconference brief, p. 4; Respondent ChelPipe's postconference brief, p. 1.

[6] Official U.S. import statistics for Russia were adjusted to remove *** out-of-scope products, coupling stock, that enter under the referenced HTS statistical reporting numbers, but are not included in this investigation. "Coupling stock has a thicker wall than regular pipe because it has to be threaded in the machine." Conference transcript, p. 59 (Schagrin); conference transcript, p. 84 (Valk).

Table IV-1 lists all responding U.S. importers of SSLP pipe from subject and nonsubject sources, their locations, and their shares of U.S. imports (compiled from data submitted in response to Commission questionnaires), in 2019.

**Table IV-1**
**SSLP pipe: U.S. importers, their headquarters, and share of total imports by source, 2019**

| Firm | Headquarters | Share of imports by source (percent) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Czechia | Korea | Russia | Ukraine | Subject sources | Nonsubject sources | All import sources |
| American Piping | Chesterfield, MO | *** | *** | *** | *** | *** | *** | *** |
| ArcelorMittal | Houston, TX | *** | *** | *** | *** | *** | *** | *** |
| ArcelorMittal Projects Europe | Heijningen, The Netherlands | *** | *** | *** | *** | *** | *** | *** |
| DistributionNOW | Houston, TX | *** | *** | *** | *** | *** | *** | *** |
| North American Interpipe | Houston, TX | *** | *** | *** | *** | *** | *** | *** |
| Optima Steel | Concord, CA | *** | *** | *** | *** | *** | *** | *** |
| Seba Tubular | Houston, TX | *** | *** | *** | *** | *** | *** | *** |
| Tenaris | Houston, TX | *** | *** | *** | *** | *** | *** | *** |
| Texas Pipe | Houston, TX | *** | *** | *** | *** | *** | *** | *** |
| Vallourec | Houston, TX | *** | *** | *** | *** | *** | *** | *** |
| Total | | *** | *** | *** | *** | *** | *** | *** |

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

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

## U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of SSLP pipe from subject sources and all other sources during 2017-19 and January 2020 to March 2020.[7] Since 2017, U.S. imports of SSLP pipe decreased unevenly overall by *** percent to *** short tons in 2019. In the same period, the value of U.S. imports of SSLP pipe increased irregularly by *** percent to *** in 2019. Compared with January to March 2019, U.S. imports were *** percent or *** short tons lower in January to March 2020.

**Table IV-2**
**SSLP pipe: U.S. imports, by source, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | 39,465 | 42,867 | 39,243 | 14,733 | 6,675 |
| Korea | 18,407 | 17,460 | 18,863 | 2,562 | 9,079 |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | 35,375 | 42,962 | 48,134 | 11,482 | 5,491 |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | 485,153 | 550,241 | 441,823 | 139,843 | 81,080 |
| All import sources | *** | *** | *** | *** | *** |
| | Value (1,000 dollars) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | 32,721 | 50,401 | 48,637 | 19,382 | 7,092 |
| Korea | 24,575 | 22,061 | 25,480 | 4,005 | 12,404 |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | 24,654 | 45,613 | 50,690 | 13,920 | 5,107 |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | 649,360 | 895,434 | 763,041 | 237,367 | 135,008 |
| All import sources | *** | *** | *** | *** | *** |
| | Unit value (dollars per short ton) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | 829 | 1,176 | 1,239 | 1,316 | 1,062 |
| Korea | 1,335 | 1,264 | 1,351 | 1,563 | 1,366 |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | 697 | 1,062 | 1,053 | 1,212 | 930 |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | 1,338 | 1,627 | 1,727 | 1,697 | 1,665 |
| All import sources | *** | *** | *** | *** | *** |

Table continued.

[7] Official U.S. import statistics for Russia were adjusted to remove *** out of scope imports as reported in questionnaire responses.

**Table IV-2--Continued**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Share of quantity (percent) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** |
| | Share of value (percent) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** |
| | Ratio to U.S. production | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** |

Note.--Official U.S. import statistics for Russia were adjusted to remove *** out of scope imports as reported in questionnaire responses.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

**Figure IV-1**
**SSLP pipe: U.S. import quantities and average unit values, 2017-19, January to March 2019, and January to March 2020**

* * * * * * *

The reduced quantity of imports coupled with their increased value during 2017-19 resulted in a *** increase in unit values for SSLP pipe imports. These trends are largely explained by trade patterns in U.S. imports from nonsubject sources that have higher unit values than subject sources throughout the entire period and accounted for *** percent and *** percent of imports in quantity and value terms, respectively. According to official U.S. imports statistics, between 2017 and 2019, the largest nonsubject source of U.S. imports of SSLP pipe was Mexico accounting for 12.9 percent of nonsubject U.S. imports of SSLP pipe quantity terms in 2019.[8] Other top nonsubject sources include Germany (11.0 percent)[9] and Japan (10.9 percent).[10]

Among subject sources of U.S. imports SSLP pipe in 2019, Ukraine was the *** in both quantity (*** percent of all U.S. imports) and value terms (*** percent), followed by Czechia, accounting for *** percent and *** percent of all U.S. imports in quantity and value terms, respectively. Conversely, Korea was the *** accounting for *** percent of U.S. imports of SSLP pipe in both quantity and value terms during 2017-19. During that same time, U.S. imports of SSLP pipe from Korea generally had the *** unit values among subject sources, *** per short ton than the average unit value of subject imports.

U.S. imports of SSLP pipe as a ratio to U.S. production decreased from *** percent in 2017 to *** in 2018, before increasing once more to *** in 2019. As a ratio to U.S. production,

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[8] ***.

[9] ***.

[10] Shares of nonsubject imports are derived using official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070.

U.S. imports of SSLP pipe from subject sources are *** lower at less than *** during 2017-19, with a period low of *** in 2018.

## Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[11] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like SSLP pipe where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[12]

Table IV-3 presents the individual shares of total imports of SSLP pipe by subject countries by quantity from July 2019 to June 2020, the most recent 12-month period preceding the filing of the petitions for the investigations. During the 12-month beginning in July 2019, U.S. imports of SSLP pipe from Czechia, Korea, Russia, and Ukraine individually accounted for more than *** of total U.S. imports of SSLP pipe by quantity.

[11] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

[12] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

**Table IV-3**
**SSLP pipe: U.S. imports in the twelve-month period preceding the filing of the petitions, July 2019 through June 2020**

| Item | July 2019 through June 2020 | |
|---|---|---|
| | Quantity (short tons) | Share quantity (percent) |
| U.S. imports from.-- | | |
| Czechia | 26,029 | *** |
| Korea | 25,928 | *** |
| Russia | *** | *** |
| Ukraine | 40,136 | *** |
| Subject sources | *** | *** |
| Nonsubject sources | 332,164 | *** |
| All import sources | *** | *** |

Note.--Official U.S. import statistics for Russia were adjusted to remove *** out of scope imports as reported in questionnaire responses.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

## Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like SSLP pipe and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.[13]

[13] Respondent Interpipe discussed that due to Ukraine as a: 1) ongoing conflict between Russia and Ukraine will continue to depress the Ukrainian steel industry and 2) imports from Ukraine are sold in a different tier than U.S. producers and approved manufacturer's list. The Ministry for Development of Economy, Trade and Agriculture of Ukraine also agrees that Ukraine should not be cumulated with the rest of the countries under investigation due to ongoing Russian aggression that differentiates its metallurgical industry from that of Czechia, Korea, and Russia, in addition to the fact that Europe is its

(*continued*...)

## Fungibility

Table IV-4 and figure IV-2 present the summary of data the Commission requested information concerning U.S. producers' and U.S. importers' U.S. shipments of SSLP pipe by outer diameter size in 2019.[14] The *** of both U.S. producers' and U.S. importers' U.S. shipments were SSLP pipe with outer diameters larger than 2 inches and less than or equal to 10 inches. U.S. importers' shipments of SSLP from Czechia had the *** share *** of SSLP pipe with outer diameter less than 2 inches compared to U.S. shipments from other subject sources or U.S. producers, while U.S. importers' shipments of SSLP pipe from Ukraine had the *** share of SSLP pipe with outer diameter greater than 10 inches (***) compared to U.S. shipments from U.S. producers or other subject sources.

By outer diameter size, U.S. shipments of SSLP pipe with outer diameter of 2 inches or less from subject sources were *** more compared to U.S. producers' shipments in 2019.[15] For U.S. shipments of SSLP pipe with outer diameter sizes larger than 12 inches and less than or equal to 14 inches, U.S. shipments from the subject sources, Czechia and Ukraine, and nonsubject imports were *** and *** more than U.S. producers' shipments in 2019, respectively.

primary export market. Respondent Interpipe's postconference brief, p. 42-43; Ministry for Development of Economy, Trade, and Agriculture of Ukraine, p. 9, 11.

[14] Vallourec's production of SSLP pipe from its Youngstown, Ohio mill is restricted to "commodity-type" SSLP pipe in the 2- to 10-inch outer diameter range. As a result, Vallourec complements their product range with imported products. Furthermore, according to Vallourec, high-performance or specialized SSLP pipes may have to be imported, due to outside diameter and wall thickness requirements. SSLP pipe that require heavier walls are imported from Europe or Brazil. These products comprise about 5 to 10 percent of total demand. According to petitioner's counsel, SSLP pipe with thick walls and high grades "meet the scope of these investigations" because "we don't believe these products are being produced in the subject countries, no one has requested of us, nor have we made any adjustments to the scope, to exclude very high-grade or very heavy walls." Conference transcript, p. 23-25 (Arevalo and Schagrin); conference transcripts, p. 29-30 (Arevalo), 36 (Polk), 33 (Schagrin); conference transcript, p. 23-25 (Arevalo and Schagrin); conference transcript, p. 26 (Schagrin).

[15] Individually, Czechia and Ukraine were *** percent and *** percent more than U.S. producers' shipments in 2019, respectively.

**Table IV-4**
**SSLP pipe: U.S. producers' and U.S. importers U.S. shipments by outer diameter size, 2019**

| Item | U.S. producers | U.S. importers | | | |
|---|---|---|---|---|---|
| | | Czechia | Korea | Russia | Ukraine |
| | Quantity (short tons) | | | | |
| U.S. shipments.-- 2 inches or less | *** | *** | *** | *** | *** |
| >2 inches and ≤4 inches | *** | *** | *** | *** | *** |
| >4 inches and ≤6 inches | *** | *** | *** | *** | *** |
| >6 inches and ≤8 inches | *** | *** | *** | *** | *** |
| >8 inches and ≤10 inches | *** | *** | *** | *** | *** |
| >10 inches and ≤12 inches | *** | *** | *** | *** | *** |
| >12 inches and ≤14 inches | *** | *** | *** | *** | *** |
| >14 inches and ≤16 inches | *** | *** | *** | *** | *** |
| All sizes | *** | *** | *** | *** | *** |
| | Share across (percent) | | | | |
| U.S. shipments.-- 2 inches or less | *** | *** | *** | *** | *** |
| >2 inches and ≤4 inches | *** | *** | *** | *** | *** |
| >4 inches and ≤6 inches | *** | *** | *** | *** | *** |
| >6 inches and ≤8 inches | *** | *** | *** | *** | *** |
| >8 inches and ≤10 inches | *** | *** | *** | *** | *** |
| >10 inches and ≤12 inches | *** | *** | *** | *** | *** |
| >12 inches and ≤14 inches | *** | *** | *** | *** | *** |
| >14 inches and ≤16 inches | *** | *** | *** | *** | *** |
| All sizes | *** | *** | *** | *** | *** |
| | Share down (percent) | | | | |
| U.S. shipments.-- 2 inches or less | *** | *** | *** | *** | *** |
| >2 inches and ≤4 inches | *** | *** | *** | *** | *** |
| >4 inches and ≤6 inches | *** | *** | *** | *** | *** |
| >6 inches and ≤8 inches | *** | *** | *** | *** | *** |
| >8 inches and ≤10 inches | *** | *** | *** | *** | *** |
| >10 inches and ≤12 inches | *** | *** | *** | *** | *** |
| >12 inches and ≤14 inches | *** | *** | *** | *** | *** |
| >14 inches and ≤16 inches | *** | *** | *** | *** | *** |
| All sizes | *** | *** | *** | *** | *** |

Table continued.

**Table IV-4--Continued**

| Item | U.S. importers | | | U.S. producers and U.S. importers |
|---|---|---|---|---|
| | Subject sources | Nonsubject sources | All import sources | |
| | Quantity (short tons) | | | |
| U.S. shipments.-- 2 inches or less | *** | *** | *** | *** |
| >2 inches and ≤4 inches | *** | *** | *** | *** |
| >4 inches and ≤6 inches | *** | *** | *** | *** |
| >6 inches and ≤8 inches | *** | *** | *** | *** |
| >8 inches and ≤10 inches | *** | *** | *** | *** |
| >10 inches and ≤12 inches | *** | *** | *** | *** |
| >12 inches and ≤14 inches | *** | *** | *** | *** |
| >14 inches and ≤16 inches | *** | *** | *** | *** |
| All sizes | *** | *** | *** | *** |
| | Share across (percent) | | | |
| U.S. shipments.-- 2 inches or less | *** | *** | *** | *** |
| >2 inches and ≤4 inches | *** | *** | *** | *** |
| >4 inches and ≤6 inches | *** | *** | *** | *** |
| >6 inches and ≤8 inches | *** | *** | *** | *** |
| >8 inches and ≤10 inches | *** | *** | *** | *** |
| >10 inches and ≤12 inches | *** | *** | *** | *** |
| >12 inches and ≤14 inches | *** | *** | *** | *** |
| >14 inches and ≤16 inches | *** | *** | *** | *** |
| All sizes | *** | *** | *** | *** |
| | Share down (percent) | | | |
| U.S. shipments.-- 2 inches or less | *** | *** | *** | *** |
| >2 inches and ≤4 inches | *** | *** | *** | *** |
| >4 inches and ≤6 inches | *** | *** | *** | *** |
| >6 inches and ≤8 inches | *** | *** | *** | *** |
| >8 inches and ≤10 inches | *** | *** | *** | *** |
| >10 inches and ≤12 inches | *** | *** | *** | *** |
| >12 inches and ≤14 inches | *** | *** | *** | *** |
| >14 inches and ≤16 inches | *** | *** | *** | *** |
| All sizes | *** | *** | *** | *** |

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

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

**Figure IV-2**
**SSLP pipe: U.S. producers' and U.S. importers' U.S. shipments by outer diameter size, 2019**

* * * * * * *

When considering total U.S. shipments of SSLP pipe including nonsubject sources, similar trends appear as discussed above. Among U.S. shipments of SSLP pipe with outer diameter less than 2 inches, *** percent were from U.S. imports, approximately *** of which were supplied from nonsubject sources. For U.S. shipments of SSLP pipe with outer diameter greater than 10 inches, roughly *** percent are imported SSLP pipe, *** supplied by ***.

## Geographical markets

SSLP pipe produced in the United States is shipped nationwide.[16] Among imports, over 88 percent of U.S. imports of SSLP pipe from both subject and nonsubject sources entered through the Southern border of entry of the United States, followed by the Western and Eastern borders of entry with roughly 5 percent of U.S. imports of SSLP pipe according to official U.S. import data in 2019. Among subject sources only imports from Korea entered the Northern U.S region in 2019, while Russian imports of SSLP pipe exclusively entered through the Southern border of entry. In 2019, subject imports from Korea that entered from the Western region accounted for 12.9 percent, the highest among subject sources, followed by Ukraine with 8.0 percent. In the Eastern region, 18.3 percent of U.S. imports of SSLP pipe was from Ukraine, followed by Czechia with 9.8 percent.[17]

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[16] See Part II for additional information on geographic markets.

[17] The "East" border of entry includes the following Customs entry districts for SSLP pipe: Baltimore, MD; Charleston, SC; Charlotte, NC; New York, NY; Norfolk, VA; Ogdensburg, NY; Philadelphia, PA; Savannah, GA; and St. Albans, VT. The "North" border of entry includes the following Customs entry districts for PC strand: Chicago, IL; Cleveland, OH; Detroit, MI; Great Falls, MT; Minneapolis, MN; and St. Louis, MO. The "South" border of entry includes the following Customs entry districts for PC strand: Dallas-Fort Worth, TX; Houston-Galveston, TX; Miami, FL; New Orleans, LA; and Tampa, FL. The "West" border of entry includes the following Customs entry districts for PC strand: Los Angeles, CA; San Francisco, CA; and Seattle, WA.

**Table IV-5**
**SSLP pipe: U.S. imports by border of entry, 2019**

| Item | Border of entry | | | | |
|---|---|---|---|---|---|
| | East | North | South | West | All borders |
| | Quantity (short tons) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | 2,727 | --- | 36,068 | 448 | 39,243 |
| Korea | 746 | 554 | 14,156 | 3,406 | 18,863 |
| Russia | --- | --- | 43,689 | --- | 43,689 |
| Ukraine | 5,121 | 0 | 40,884 | 2,130 | 48,134 |
| Subject sources | 8,593 | 554 | 134,797 | 5,985 | 149,929 |
| Nonsubject sources | 19,372 | 13,284 | 388,647 | 20,519 | 441,823 |
| All import sources | 27,966 | 13,839 | 523,444 | 26,503 | 591,751 |
| | Share across (percent) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | 6.9 | --- | 91.9 | 1.1 | 100.0 |
| Korea | 4.0 | 2.9 | 75.0 | 18.1 | 100.0 |
| Russia | --- | --- | 100.0 | --- | 100.0 |
| Ukraine | 10.6 | 0.0 | 84.9 | 4.4 | 100.0 |
| Subject sources | 5.7 | 0.4 | 89.9 | 4.0 | 100.0 |
| Nonsubject sources | 4.4 | 3.0 | 88.0 | 4.6 | 100.0 |
| All import sources | 4.7 | 2.3 | 88.5 | 4.5 | 100.0 |
| | Share down (percent) | | | | |
| U.S. imports from.-- | | | | | |
| Czechia | 9.8 | --- | 6.9 | 1.7 | 6.6 |
| Korea | 2.7 | 4.0 | 2.7 | 12.9 | 3.2 |
| Russia | --- | --- | 8.3 | --- | 7.4 |
| Ukraine | 18.3 | 0.0 | 7.8 | 8.0 | 8.1 |
| Subject sources | 30.7 | 4.0 | 25.8 | 22.6 | 25.3 |
| Nonsubject sources | 69.3 | 96.0 | 74.2 | 77.4 | 74.7 |
| 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 for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

## Presence in the market

Table IV-6 and figures IV-3 and IV-4 present monthly official U.S. imports statistics for SSLP pipe by month during January 2017 to March 2020. Between January 2017 and March 2020, imports of SSLP pipe from Czechia and Korea were present every month, while imports from Ukraine were present for 38 out of the 39 months and imports from Russia were present 36 of the 39 months.

**Table IV-6**
**SSLP pipe: U.S. imports by month, January 2017 through March 2020**

| U.S. imports | Czechia | Korea | Russia | Ukraine | Subject sources | Nonsubject sources | All import sources |
|---|---|---|---|---|---|---|---|
| | Quantity (short tons) | | | | | | |
| 2017.-- | | | | | | | |
| January | 3,320 | 2,131 | --- | --- | 5,451 | 21,436 | 26,887 |
| February | 299 | 674 | 16,011 | 2,937 | 19,920 | 25,980 | 45,900 |
| March | 4,600 | 909 | 2,213 | 3,558 | 11,280 | 33,476 | 44,756 |
| April | 1,613 | 656 | 4,094 | 6,173 | 12,537 | 43,908 | 56,445 |
| May | 1,540 | 1,620 | 8,189 | 1,218 | 12,566 | 43,303 | 55,869 |
| June | 5,648 | 1,810 | 11,539 | 5,109 | 24,107 | 46,869 | 70,976 |
| July | 7,818 | 1,835 | 2,196 | 4,042 | 15,891 | 43,947 | 59,838 |
| August | 2,463 | 2,126 | 10,168 | 2,128 | 16,884 | 41,672 | 58,556 |
| September | 4,283 | 2,198 | 4,980 | 2,561 | 14,022 | 43,574 | 57,596 |
| October | 3,634 | 2,039 | 9,691 | 3,817 | 19,182 | 57,803 | 76,985 |
| November | 3,152 | 1,269 | 2,199 | 3,237 | 9,857 | 40,358 | 50,215 |
| December | 1,095 | 1,141 | 2,613 | 596 | 5,446 | 42,826 | 48,271 |
| 2018.-- | | | | | | | |
| January | 1,427 | 5,441 | 735 | 3,046 | 10,649 | 51,168 | 61,816 |
| February | 2,277 | 1,658 | --- | 2,722 | 6,657 | 45,194 | 51,851 |
| March | 4,027 | 1,804 | 2,105 | 2,436 | 10,371 | 55,462 | 65,833 |
| April | 4,740 | 3,622 | 1,963 | 2,599 | 12,925 | 57,445 | 70,370 |
| May | 6,277 | 2,304 | 4,040 | 9,524 | 22,145 | 57,639 | 79,783 |
| June | 6,225 | 3 | 2,788 | 1,335 | 10,351 | 40,496 | 50,847 |
| July | 4,083 | 123 | 610 | 4,999 | 9,816 | 45,649 | 55,465 |
| August | 2,883 | 435 | 2,560 | 3,929 | 9,807 | 49,852 | 59,659 |
| September | 1,247 | 125 | 538 | 650 | 2,559 | 36,003 | 38,562 |
| October | 3,590 | 109 | 10,430 | 7,856 | 21,986 | 37,449 | 59,435 |
| November | 2,119 | 363 | 16,145 | 3,321 | 21,948 | 35,822 | 57,770 |
| December | 3,972 | 1,473 | --- | 544 | 5,989 | 38,062 | 44,051 |

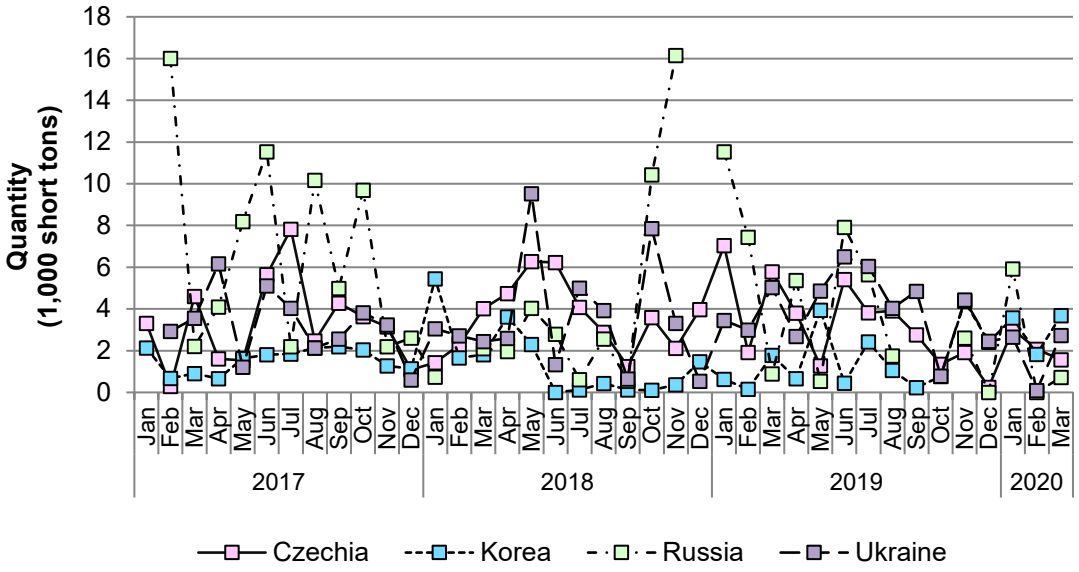
Table continued.

**Table IV-6--Continued**

| U.S. imports | Czechia | Korea | Russia | Ukraine | Subject sources | Nonsubject sources | All import sources |
|---|---|---|---|---|---|---|---|
| | Quantity (short tons) | | | | | | |
| 2019.-- January | 7,035 | 624 | 11,540 | 3,459 | 22,657 | 56,556 | 79,213 |
| February | 1,913 | 152 | 7,435 | 2,989 | 12,488 | 37,072 | 49,561 |
| March | 5,785 | 1,787 | 893 | 5,035 | 13,500 | 46,214 | 59,714 |
| April | 3,801 | 659 | 5,374 | 2,683 | 12,517 | 48,784 | 61,301 |
| May | 1,279 | 3,948 | 538 | 4,868 | 10,634 | 34,305 | 44,939 |
| June | 5,413 | 439 | 7,909 | 6,502 | 20,263 | 36,921 | 57,183 |
| July | 3,823 | 2,422 | 5,650 | 6,048 | 17,943 | 48,855 | 66,798 |
| August | 3,913 | 1,056 | 1,748 | 4,033 | 10,750 | 33,307 | 44,057 |
| September | 2,756 | 233 | --- | 4,847 | 7,836 | 28,422 | 36,258 |
| October | 1,352 | 762 | --- | 778 | 2,892 | 25,057 | 27,949 |
| November | 1,921 | 4,374 | 2,602 | 4,437 | 13,335 | 25,147 | 38,482 |
| December | 251 | 2,406 | 1 | 2,456 | 5,115 | 21,182 | 26,297 |
| 2020.-- January | 3,029 | 3,574 | 5,917 | 2,656 | 15,176 | 32,638 | 47,814 |
| February | 2,076 | 1,828 | 1 | 99 | 4,003 | 23,497 | 27,500 |
| March | 1,570 | 3,677 | 720 | 2,736 | 8,703 | 24,946 | 33,649 |

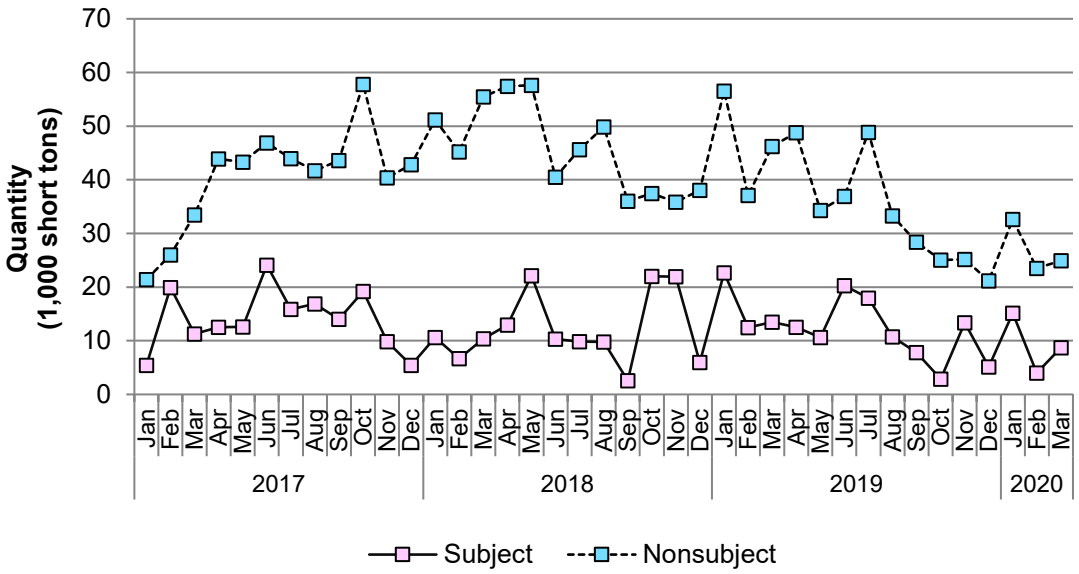
Source: Official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

**Figure IV-3**
**SSLP pipe: U.S. imports from individual subject sources, by month, January 2017 through March 2020**




Source: Official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

**Figure IV-4**
**SSLP pipe: U.S. imports from aggregated subject and nonsubject sources, by month, January 2017 through March 2020**




Source: Official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

## Apparent U.S. consumption

Table IV-7 and figure IV-5 present data on apparent U.S. consumption of SSLP pipe based on responses from U.S. producers and official import statistics reported during 2017-19, and January to March 2020. Since 2017, apparent U.S. consumption of SSLP pipe increased by *** percent to *** short tons in 2018 before declining by *** percent to *** short tons in 2019, resulting in an overall decrease in apparent U.S. consumption by *** percent during 2017-19. In a similar fashion, the volume of U.S. producers' U.S. shipments decreased unevenly during this time by *** percent with a period high in 2018.[18] U.S. imports of SSLP pipe from subject sources and from nonsubject sources both decreased during 2017-19 (*** percent and

[18] The year 2018 was a period high for U.S. producers' U.S. shipments and U.S. imports of SSLP pipe due to demand trends. See Part II for additional information.

8.9 percent, respectively), but U.S. imports from nonsubject sources increased to 550,241 short tons in 2018, while U.S. imports from subject sources experienced a period low of *** short tons. Among subject sources, only the volume of U.S. imports from Ukraine and to a lesser extent, the volume of U.S. imports from Korea increased between 2017 and 2019. Compared with January to March 2019, apparent U.S. consumption of SSLP pipe was *** lower in quantity terms in January to March 2020. U.S. producers' U.S. shipments were *** lower comparing the same periods, while U.S. imports from subject sources and nonsubject sources were *** percent and 42.0 percent lower, respectively, in January to March 2020 compared with January to March 2019.

The value of apparent U.S. consumption increased unevenly overall by *** percent during 2017-19. Beginning in 2017, apparent U.S. consumption in value terms increased by *** to *** in 2018 then fell by *** to *** in 2019. The value of U.S. producers' U.S. shipments decreased by *** percent between 2017 and 2019 after it increased by *** percent in 2018. In contrast, the value of U.S. imports of SSLP pipe from subject and nonsubject sources increased by *** percent and 17.5 percent, respectively. In January to March 2020, the value of apparent U.S. consumption was lower by *** compared to January to March 2019. U.S. producers U.S. shipments were also lower by *** percent in January to March 2020 compared with January to March 2019, while the value of U.S. imports from subject and nonsubject sources were lower by *** percent and 43.1 percent, respectively.

**Table IV-7**
**SSLP pipe: Apparent U.S. consumption, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| U.S. producers' U.S. shipments | *** | *** | *** | *** | *** |
| U.S. imports from.-- | | | | | |
| Czechia | 39,465 | 42,867 | 39,243 | 14,733 | 6,675 |
| Korea | 18,407 | 17,460 | 18,863 | 2,562 | 9,079 |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | 35,375 | 42,962 | 48,134 | 11,482 | 5,491 |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | 485,153 | 550,241 | 441,823 | 139,843 | 81,080 |
| All import sources | *** | *** | *** | *** | *** |
| Apparent U.S. consumption | *** | *** | *** | *** | *** |
| | Value (1,000 dollars) | | | | |
| U.S. producers' U.S. shipments | *** | *** | *** | *** | *** |
| U.S. imports from.-- | | | | | |
| Czechia | 32,721 | 50,401 | 48,637 | 19,382 | 7,092 |
| Korea | 24,575 | 22,061 | 25,480 | 4,005 | 12,404 |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | 24,654 | 45,613 | 50,690 | 13,920 | 5,107 |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | 649,360 | 895,434 | 763,041 | 237,367 | 135,008 |
| All import sources | *** | *** | *** | *** | *** |
| Apparent U.S. consumption | *** | *** | *** | *** | *** |

Note.--Official U.S. import statistics for Russia were adjusted to remove *** out of scope imports as reported in questionnaire responses.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

**Figure IV-5**
**SSLP pipe: Apparent U.S. consumption, 2017-19, January to March 2019, and January to March 2020**

* * * * * * *

## U.S. market shares

U.S. market share data for SSLP pipe are presented in table IV-8 over the period 2017-19 and January to March 2020. In quantity terms, U.S. producers' share of apparent U.S. consumption increased by *** percentage points from 2017 to *** percent in 2018, then decreased by *** percentage points in 2019 to *** percent. Meanwhile, U.S. imports of SSLP from subject sources accounted for *** percent of apparent U.S. consumption by quantity in 2017, then *** percent in 2018 before increasing *** to *** percent in 2019. This reduction in subject import market share by quantity is largely due to decreased imports from Russia during 2017-19. In the same period, U.S. imports of SSLP pipe from nonsubject sources accounted *** percent of apparent U.S. consumption in 2017 and 2018, and increased to *** percent in 2019 in quantity terms. Compared with January to March 2019, U.S. producers' market share *** in quantity terms in January to March 2020, while U.S. imports from subject sources' market share was *** percent higher.[19]

During 2017-19, U.S. producers' share of U.S. apparent consumption by value increased from *** percent in 2017 to *** percent in 2018, then declined by *** percentage points to *** percent in 2019. Over the same period, the market share of U.S. imports of SSLP pipe from subject sources by value increased *** by *** percentage points to *** percent in 2019, after a period low of *** percent in 2018. To a greater extent, the market share of U.S. imports from nonsubject sources increased by *** percentage points to *** percent from 2017 to 2019, with a period low of *** percent in 2018. In January to March 2020, U.S. producers market share by value was *** percentage points lower compared with January to March 2019, while U.S. imports from subject sources' market share was *** percentage points higher.

[19] During its 2020 second quarter earnings call, Vallourec representative Eduard Frederic Guinotte, the Chairman of the Management Board, notes that during market contractions, U.S. Producers' market share are expected to increase "very significantly," due to customer preference for local mills and faster lead times. Respondent Interpipe's postconference brief, p. 47-48, Exhibit 1.

**Table IV-8**
**SSLP pipe: Market shares, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| Apparent U.S. consumption | *** | *** | *** | *** | *** |
| | Share of quantity (percent) | | | | |
| U.S. producers' U.S. shipments | *** | *** | *** | *** | *** |
| U.S. imports from.-- | | | | | |
| Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** |
| | Value (1,000 dollars) | | | | |
| Apparent U.S. consumption | *** | *** | *** | *** | *** |
| | Share of value (percent) | | | | |
| U.S. producers' U.S. shipments | *** | *** | *** | *** | *** |
| U.S. imports from.-- | | | | | |
| Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| Subject sources | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** |

Note.--Official U.S. import statistics for Russia were adjusted to remove *** out of scope imports as reported in questionnaire responses.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

# Part V: Pricing data

## Factors affecting prices

### Raw material costs

The primary raw material used to manufacture SSLP pipe is solid steel billets. Petitioner Vallourec stated that it uses scrap metal bought from regional shredders and alloys/additives in its production process.[1] Raw materials, as a share of cost of goods sold ("COGS"), was between 35 and 40 percent during 2017-19. Petitioner Vallourec stated that scrap accounts for *** of its raw material costs. It also stated that multiple factors can affect scrap prices, including demand in the region and local dynamics like weather and automotive activity.[2] The prices of steel scrap and pig iron increased irregularly from January 2017 to April 2018, and then generally decreased through March 2020 with some fluctuations (figure V-1). Overall, scrap steel prices declined *** percent from January 2017 to March 2020 while pig iron increased *** percent.

**Figure V-1**
**Raw Materials: Prices of scrap steel and pig iron, monthly, January 2017-March 2020**

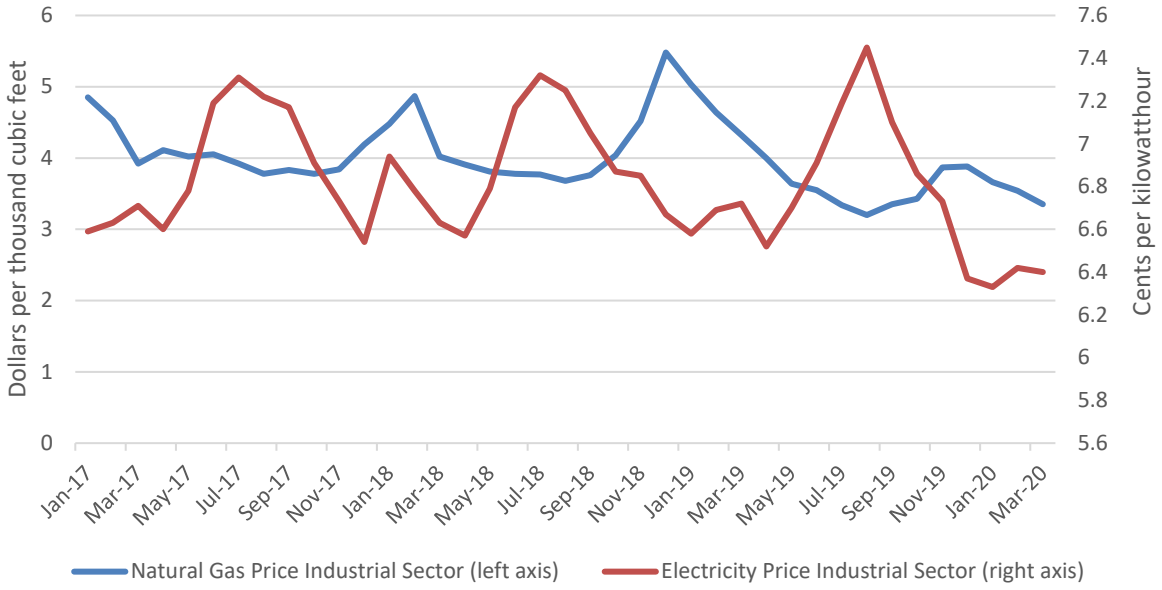
* * * * * * *

Source: ***, accessed July 15, 2020.

[1] Petitioner Vallourec's postconference brief, Answers to staff questions, p. 5.
[2] Petitioner Vallourec's postconference brief, Answers to staff questions, p. 5.

Electricity and natural gas are also a considerable cost in the production of SSLP pipe. Petitioner Vallourec stated that electricity costs are mostly incurred during the melting process and equal about *** of its COGS.[3] Industrial natural gas and electricity prices fluctuated between January 2017 and March 2020 (figure V-2). Overall, natural gas and electricity prices declined 31 percent and 3 percent, respectively.

**Figure V-2**
**Energy prices: Industrial sector natural gas and electricity prices, monthly, January 2017 to March 2020**




Source: U.S. Energy Information Administration, https://www.eia.gov/outlooks/steo/data/browser/#/?v=8&f=M&s=&start=201701&end=202112&id=&maptype=0&ctype=linechart&linechart=WTIPUUS, accessed July 20, 2020.

Most U.S. producers (4 of 6) and importers (8 of 10) reported that raw material costs fluctuated since January 1, 2017. U.S. producer *** reported that the scrap market is very volatile, producer *** reported that raw material costs fluctuate with market conditions and indicators, importer *** reported scrap and ore prices fluctuated, and importer *** reported that the cost of scrap, ferroalloys, and electrodes had significant fluctuations during 2017-19 increasing production costs. Importer *** stated that scrap and iron ore prices have "moderated" due to demand and environmental factors like tropical storms disrupting the ability to transport product to the market.

[3] Petitioner Vallourec's postconference brief, Answers to staff questions, p. 5.

When asked whether the section 232 measures influenced raw material costs, responses were mixed. One U.S. producer and four importers reported that raw material costs increased, two producer and two importers reported that costs did not change, and two producers and four importers reported that costs fluctuated. When asked whether the section 232 measures had an impact on prices of SSLP pipe, two U.S. producers and six importers reported an increase and two U.S. producers and three importers reported prices fluctuated. Respondent Interpipe stated that the section 232 measures were important as they "lifted the bar" on SSLP prices and that it lost some business because not everyone would "pay up because the 25 percent needed to be absorbed."[4]

## Transportation costs to the U.S. market

Transportation costs for SSLP pipe shipped from subject countries to the United States averaged 6.3 percent for Czechia, 4.5 percent for Korea, 5.8 percent for Russia, and 0.3 percent for Ukraine during 2019. These estimates were derived from official import data and represent the transportation and other charges on imports.[5]

## U.S. inland transportation costs

Most responding U.S. producers (4 of 6) and importers (5 of 10) reported that they typically arrange transportation to their customers. All four responding U.S. producers reported that their U.S. inland transportation costs ranged from 2 to 10 percent while four importers reported that costs ranged from less than one percent to 5 percent.

[4] Conference transcript, p. 94 (Valk).

[5] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2019 and then dividing by the customs value based on the HTS subheading 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070, accessed July 22, 2020.

# Pricing practices

## Pricing methods

U.S. producers and importers reported a variety of price setting methods. The majority of responding U.S. producers and importers reporting using transaction-by-transaction negotiations (table V-1).

**Table V-1**
**SSLP pipe: U.S. producers' and importers' reported price setting methods, by number of responding firms**

| Method | U.S. producers | Importers |
|---|---|---|
| **Transaction-by-transaction** | 5 | 8 |
| **Contract** | 1 | 2 |
| **Set price list** | 3 | 2 |
| **Other** | 1 | 1 |
| **Responding firms** | 6 | 10 |

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 and importers reported selling the vast majority of their SSLP pipe in the spot market (table V-2).

**Table V-2**
**SSLP pipe: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2019**

| Type of sale | U.S. producers | Importers |
|---|---|---|
| **Long-term contracts** | *** | *** |
| **Annual contracts** | *** | *** |
| **Short-term contracts** | *** | *** |
| **Spot sales** | *** | *** |
| Total | 100.0 | 100.0 |

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

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

U.S. producer *** reported using short-term contracts, which last 180 days, fix both quantity and price, do not allow for price renegotiation, and are not indexed to raw material prices. U.S. producer *** reported that its annual contracts fix both price and quantity, do not allow for price renegotiation, and are indexed to raw material prices (AMM for scrap and CRU for alloy).

### Sales terms and discounts

Five U.S. producers and three importers typically quote prices on an f.o.b. basis while two U.S. producers and four importers quote prices on a delivered basis.[6] Two U.S. producers offer quarterly discounts based on volume, and three offer discounts for early payment or payments within 10 days. Most importers (6 of 9) do not have a discount policy.

## Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following SSLP pipe products shipped to unrelated U.S. customers during January 2017-March 2020.

**Product 1.**-- Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 3" nominal size (3 1/2 inch OD x 0.3 wall thickness); plain ends.

**Product 2.**-- Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 4" nominal size (4 1/2 inch OD x 0.237 wall thickness); plain ends.

**Product 3.**-- Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 6" nominal size (6 5/8 inch OD x 0.280 wall thickness); plain ends.

**Product 4.**-- Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 8" nominal size (8 5/8 inch OD x 0.322 wall thickness); plain ends.

Four U.S. producers and six importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[7] Pricing data reported by these firms accounted for approximately *** percent of U.S.

[6] U.S. producer *** reported quoting f.o.b and delivered prices.

[7] 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.

producers' shipments of SSLP pipe, *** percent of U.S. shipments of subject imports from Czechia, *** percent of U.S. shipments of subject imports from Korea, and *** percent of U.S. shipments of subject imports from Ukraine in 2019. No usable price data was reported for subject imports from Russia.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-3 to V-6.

**Table V-3**
**SSLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter, January 2017-March 2020**

| Period | United States | | Czechia | | | Korea | | |
|---|---|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |

| Period | Russia | | | Ukraine | | |
|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |

Note: Product 1: Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 3” nominal size (3 1/2 inch OD x 0.3 wall thickness); plain ends.

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

**Table V-4**
**SSLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter, January 2017-March 2020**

| Period | United States | | Czechia | | | Korea | | |
|---|---|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | 1,150 | 4,157 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 1,386 | 3,457 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 1,539 | 4,563 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 1,554 | 4,638 | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | 1,566 | 5,490 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 1,663 | 7,393 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 1,688 | 5,790 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 1,633 | 1,463 | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | 1,625 | 2,002 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 1,606 | 1,280 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 1,565 | 1,635 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 1,502 | 751 | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | 1,440 | 807 | *** | *** | *** | *** | *** | *** |

| Period | Russia | | | Ukraine | | |
|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |

Note: Product 2: Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 4” nominal size (4 1/2 inch OD x 0.237 wall thickness); plain ends.

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

**Table V-5**
**SSLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarter, January 2017-March 2020**

| Period | United States | | Czechia | | | Korea | | |
|---|---|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | *** | *** | *** | *** | *** | *** | *** | *** |

| Period | Russia | | | Ukraine | | |
|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |

Note: Product 3: Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 6" nominal size (6 5/8 inch OD x 0.280 wall thickness); plain ends.

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

**Table V-6**
**SSLP pipe: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarter, January 2017-March 2020**

| Period | United States | | Czechia | | | Korea | | |
|---|---|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | 1,155 | 2,564 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 1,348 | 3,228 | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 1,548 | 3,194 | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | 1,541 | 3,372 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 1,645 | 4,169 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 1,632 | 5,466 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | 1,628 | 4,086 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 1,587 | 1,857 | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 1,521 | 1,371 | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | 1,454 | 1,771 | *** | *** | *** | *** | *** | *** |

| Period | Russia | | | Ukraine | | |
|---|---|---|---|---|---|---|
| | Price ($ per short ton) | Quantity (short tons) | Margin (percent) | Price ($ per short ton) | Quantity (short tons) | Margin (percent) |
| **2017:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2018:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2019:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |
| Apr.-June | *** | *** | *** | *** | *** | *** |
| July-Sept. | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | *** | *** | *** | *** | *** | *** |
| **2020:** Jan.-Mar. | *** | *** | *** | *** | *** | *** |

Note: Product 4: Seamless pipe stenciled to meet one or more of the following specifications: ASTM A-106 grade B, ASTM A-53 grade B, API 5L grade B, and API 5L grade X-42 specifications; 8” nominal size (8 5/8 inch OD x 0.322 wall thickness); plain ends.

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

**Figure V-3**
**SSLP pipe: Weighted-average prices and quantities of domestic and imported product 1, by quarter, January 2017-March 2020**

* * * * * * *

**Figure V-4**
**SSLP pipe: Weighted-average prices and quantities of domestic and imported product 2, by quarter, January 2017-March 2020**

* * * * * * *

**Figure V-5**
**SSLP pipe: Weighted-average prices and quantities of domestic and imported product 3, by quarter, January 2017-March 2020**

* * * * * * *

**Figure V-6**
**SSLP pipe: Weighted-average prices and quantities of domestic and imported product 4, by quarter, January 2017-March 2020**

* * * * * * *

## Price trends

In general, prices increased during January 2017-March 2020. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during January 2017-March 2020 while import price increases ranged from *** to *** percent for products 1, 3, and 4 imported from Czechia and ranged from *** to *** percent for products imported from Ukraine. As shown in figures V-7 and V-8, U.S. producers' prices steadily increased from the first quarter of 2017 to the third quarter of 2018 before declining through the first quarter of 2020. Importers' prices, on the other hand, increased more rapidly from the first quarter of 2017 to the third quarter of 2018 before declining steadily through the first quarter of 2020.

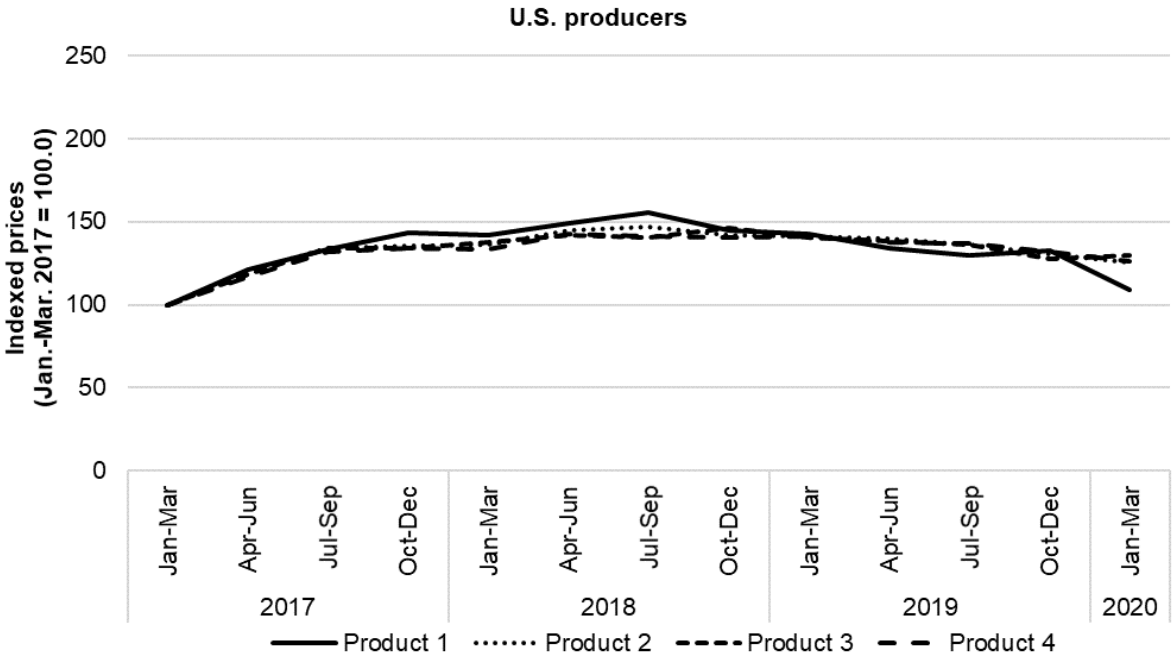
**Table V-7**
**SSLP pipe: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and subject countries**

| Item | Number of quarters | Low price (per short ton) | High price (per short ton) | Change in price (percent) |
|---|---|---|---|---|
| **Product 1** | | | | |
| United States | *** | *** | *** | *** |
| Czechia | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** |
| **Product 2** | | | | |
| United States | *** | *** | *** | *** |
| Czechia | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** |
| **Product 3** | | | | |
| United States | *** | *** | *** | *** |
| Czechia | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** |
| **Product 4** | | | | |
| United States | *** | *** | *** | *** |
| Czechia | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** |

Note: Percentage change from the first quarter in which data were available to the last quarter in which price data were available.

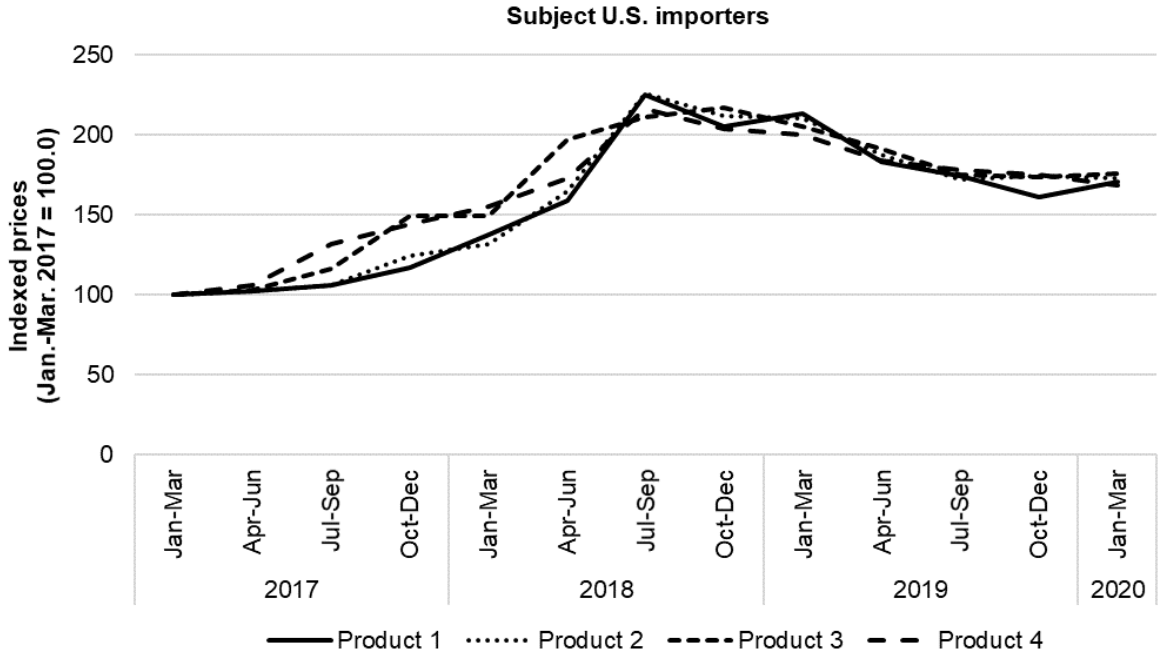
Source: Compiled from data submitted in response to Commission questionnaires.

**Figure V-7**
**SSLP pipe: Indexed U.S. producer prices, January 2017 to March 2020**




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

**Figure V-8**
**SSLP pipe: Indexed subject U.S. importer prices, January 2017 to March 2020**




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

## Price comparisons

As shown in table V-8, prices for product imported from subject countries were below those for U.S.-produced product in 104 of 105 instances (57,627 short tons); margins of underselling ranged from 3.0 to 57.5 percent. In the remaining instance (***), prices for product from *** were *** percent above prices for the domestic product.[8]

**Table V-8**
**SSLP pipe: Instances of underselling/overselling and the range and average of margins, by country, January 2017-March 2020**

| Source | Underselling | | | | |
|---|---|---|---|---|---|
| | Number of quarters | Quantity (short tons) | Average margin (percent) | Margin range (percent) | |
| | | | | Min | Max |
| Product 1 | *** | *** | *** | *** | *** |
| Product 2 | *** | *** | *** | *** | *** |
| Product 3 | *** | *** | *** | *** | *** |
| Product 4 | *** | *** | *** | *** | *** |
| Total, by product | 104 | 57,627 | 29.5 | 3.0 | 57.5 |
| Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| Total, by country | 104 | 57,627 | 29.5 | 3.0 | 57.5 |

Table continued on next page.

[8] Importer *** reported several quarters of sales that were ***.

**Table V-8--Continued.**
**SSLP pipe: Instances of underselling/overselling and the range and average of margins, by country, January 2017-March 2020**

| Source | (Overselling) | | | | |
|---|---|---|---|---|---|
| | Number of quarters | Quantity (short tons) | Average margin (percent) | Margin range (percent) | |
| | | | | Min | Max |
| Product 1 | *** | *** | *** | *** | *** |
| Product 2 | *** | *** | *** | *** | *** |
| Product 3 | *** | *** | *** | *** | *** |
| Product 4 | *** | *** | *** | *** | *** |
| Total, by product | 1 | *** | (89.6) | (89.6) | (89.6) |
| Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| Total, by country | 1 | *** | (89.6) | (89.6) | (89.6) |

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

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

## Lost sales and lost revenue

The Commission requested that U.S. producers of SSLP pipe report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of SSLP pipe from Czechia, Korea, Russia, and Ukraine during January 2017-March 2020. Of the five responding U.S. producers, five reported that they had to reduce prices, three had to roll back announced price increases, and six firms reported that they had lost sales. No U.S. producers submitted lost sales and lost revenue allegations.[9] Staff contacted 10 purchasers and received responses from five purchasers.[10] Responding purchasers reported purchasing *** short tons of SSLP pipe during 2017-19 (table V-9).

[9] Petition, p. 17.

[10] Because petitioner did not provide any lost sales lost revenue allegations, staff requested petitioner's top 10 customers in 2019.

**Table V-9**
**SSLP pipe: Purchasers' reported purchases and imports, 2017-19**

| Purchaser | Purchases and imports in 2017-19 (short tons) | | | Subject country sources | Change in domestic share (pp, 2017-19) | Change in subject country share (pp, 2017-19) |
|---|---|---|---|---|---|---|
| | Domestic | Subject | All other | | | |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** |
| Total | *** | *** | *** | --- | *** | *** |

Note: All other includes all other sources and unknown sources.
Note: Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

During 2017-19, responding purchasers purchased 45.2 percent from U.S. producers, 20.0 percent from subject countries, 34.2 percent from nonsubject countries, and 0.7 percent from "unknown source" countries. [11] [12] [13] Purchasers were asked about changes in their purchasing patterns from different sources since 2017. Of the responding purchasers, none reported decreasing purchases from domestic producers, two reported increasing purchases, one reported no change, and two reported fluctuating purchases. Explanations for increasing purchases of domestic product included shifted more to a domestic mix to mitigate trade issues, delays, etc. (***), and "better turn rate" (***). ***, which reported that its purchases of domestically produced SSLP pipe fluctuated, noted the energy industry downturn and excess inventory.

With respect to changes in purchases of imports from subject sources, *** increased purchases from Czechia because of the import offering and grade, *** reported fluctuating purchases from all subject sources because of the section 232 measures, *** decreased purchases from subject sources as it shifted to a more domestic

[11] By subject country: 7.0 percent from Czechia, 2.6 percent from Korea, 3.4 percent from Russia, and 13.0 percent from Ukraine.

[12] Reported sources of imports from nonsubject countries were Argentina, Austria, Belarus, Brazil, Canada, China, France, Germany, India, Italy, Mexico, Romania, Slovakia, South Africa, Spain, Taiwan, and Thailand.

[13] Of the five responding purchasers, one purchaser (***) indicated that it did not know the source of the SSLP pipe they purchased.

mix to mitigate trade issues, and *** decreased purchases from Czechia because long lead time is not good for inventory turns and from Russia because it is not a preferred origin. *** decreased purchases of imports from Czechia and Russia due to excess inventory, increased purchases from Ukraine because of more consistent deliveries, and purchases fluctuated from Korea because delivery was inconsistent.

Of the five responding purchasers, none reported that they had purchased imported SSLP pipe from Czechia, Korea, Russia, or Ukraine instead of U.S.-produced product since 2017.

Of the five responding purchasers, one reported that U.S. producers had reduced prices in order to compete with lower-priced imports from Czechia and Ukraine, three reported that U.S. producers had not reduced prices, and one reported that it did not know. With respect to imports from Korea and Russia, three purchasers reported that U.S. producers had not reduced prices in order to compete and two did not know. The reported estimated price reduction ranged from *** percent (Czechia) to *** percent (Ukraine). In describing the price reductions, *** reported that the reported reductions it received from U.S. producers were based on competitively priced imports and that "more was needed but this was all they could do as any lower and they would not survive." It also reported that even with price reductions from domestic producers, there is "still a fairly large gap of an additional *** percent minimum."

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. *** stated that it purchased domestic pipe in addition to its purchases of imports. *** stated that it only markets import products to import users and that it does not offer import products to traditional domestic purchasers.

# Part VI: Financial experience of U.S. producers

## Background

Five U.S. producers provided usable financial results on their operations.[1] In 2019, *** accounted for *** percent of the U.S. producers' net sales by quantity and *** percent by value, followed by *** (*** percent by quantity and *** percent by value), *** (*** percent by quantity and *** percent by value), *** (*** percent by quantity and *** percent by value), and *** (*** percent by quantity and *** percent by value). Net sales consisted of commercial sales, internal consumption and transfers to related firms, which accounted for *** percent, *** percent, and *** percent of total net sales quantity in 2019, respectively.[2]

## Operations on SSLP Pipe

Income-and-loss data for U.S. producers' SSLP operations are presented in table VI-1. Table VI-2 presents corresponding changes in average per short ton values. Table VI-3 presents selected company-specific financial data.

[1] U.S. Steel Tubular, Vallourec, Tenaris, TimkenSteel, Benteler and PTC provided complete data on a fiscal-year basis. ***. A sixth producer, ***, was not able to provide financial data, explaining that it just acquired *** and then also went through a major restructuring. E-mail from ***, August 4, 2020. Based on *** shipment data, it accounted for less than 5 percent of domestic sales during the period.

[2] *** reported commercial sales, *** reported transfers to related firms and *** reported internal consumption.

**Table VI-1**
**SSLP pipe: Results of operations of U.S. producers, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| Commercial sales | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| Total net sales | *** | *** | *** | *** | *** |
| | Value (1,000 dollars) | | | | |
| Commercial sales | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| Total net sales | *** | *** | *** | *** | *** |
| Cost of goods sold.-- Raw materials | *** | *** | *** | *** | *** |
| Direct labor | *** | *** | *** | *** | *** |
| Other factory costs | *** | *** | *** | *** | *** |
| Total COGS | *** | *** | *** | *** | *** |
| Gross profit | *** | *** | *** | *** | *** |
| SG&A expense | *** | *** | *** | *** | *** |
| Operating income or (loss) | *** | *** | *** | *** | *** |
| All other expenses, net | *** | *** | *** | *** | *** |
| Net income or (loss) | *** | *** | *** | *** | *** |
| Depreciation/amortization | *** | *** | *** | *** | *** |
| Cash flow | *** | *** | *** | *** | *** |
| | Ratio to net sales (percent) | | | | |
| Cost of goods sold.-- Raw materials | *** | *** | *** | *** | *** |
| Direct labor | *** | *** | *** | *** | *** |
| Other factory costs | *** | *** | *** | *** | *** |
| Average COGS | *** | *** | *** | *** | *** |
| Gross profit | *** | *** | *** | *** | *** |
| SG&A expense | *** | *** | *** | *** | *** |
| Operating income or (loss) | *** | *** | *** | *** | *** |
| Net income or (loss) | *** | *** | *** | *** | *** |

Table continued on next page.

**Table VI-1--Continued**
**SSLP pipe: Results of operations of U.S. producers, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Ratio to total COGS (percent) | | | | |
| Cost of goods sold.-- Raw materials | *** | *** | *** | *** | *** |
| Direct labor | *** | *** | *** | *** | *** |
| Other factory costs | *** | *** | *** | *** | *** |
| Average COGS | *** | *** | *** | *** | *** |
| | Unit value (dollars per short ton) | | | | |
| Commercial sales | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** |
| Total net sales | *** | *** | *** | *** | *** |
| Cost of goods sold.-- Raw materials | *** | *** | *** | *** | *** |
| Direct labor | *** | *** | *** | *** | *** |
| Other factory costs | *** | *** | *** | *** | *** |
| Average COGS | *** | *** | *** | *** | *** |
| Gross profit | *** | *** | *** | *** | *** |
| SG&A expense | *** | *** | *** | *** | *** |
| Operating income or (loss) | *** | *** | *** | *** | *** |
| Net income or (loss) | *** | *** | *** | *** | *** |
| | Number of firms reporting | | | | |
| Operating losses | *** | *** | *** | *** | *** |
| Net losses | *** | *** | *** | *** | *** |
| Data | *** | *** | *** | *** | *** |

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

**Table VI-2**
**SSLP pipe: Changes in AUVs between fiscal years and between partial year periods**

| Item | Between fiscal years | | | Between partial year period |
|---|---|---|---|---|
| | 2017-19 | 2017-18 | 2018-19 | 2019-20 |
| | Change in AUVs (percent) | | | |
| Commercial sales | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** |
| Total net sales | *** | *** | *** | *** |
| Cost of goods sold.-- Raw materials | *** | *** | *** | *** |
| Direct labor | *** | *** | *** | *** |
| Other factory costs | *** | *** | *** | *** |
| Average COGS | *** | *** | *** | *** |
| | Change in AUVs (dollars per short ton) | | | |
| Commercial sales | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** |
| Total net sales | *** | *** | *** | *** |
| Cost of goods sold.-- Raw materials | *** | *** | *** | *** |
| Direct labor | *** | *** | *** | *** |
| Other factory costs | *** | *** | *** | *** |
| Average COGS | *** | *** | *** | *** |
| Gross profit | *** | *** | *** | *** |
| SG&A expense | *** | *** | *** | *** |
| Operating income or (loss) | *** | *** | *** | *** |
| Net income or (loss) | *** | *** | *** | *** |

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

**Table VI-3**
**SSLP pipe: Select results of operations of U.S. producers, by company, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Total net sales (short tons) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Total net sales (1,000 dollars) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Cost of goods sold (1,000 dollars) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table contined on next page.

**Table VI-3—Continued**
**SSLP pipe: Select results of operations of U.S. producers, by company, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Gross profit or (loss) (1,000 dollars) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | SG&A expenses (1,000 dollars) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Operating income or (loss) (1,000 dollars) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table contined on next page.

**Table VI-3—Continued**
**SSLP pipe: Select results of operations of U.S. producers, by company, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Net income or (loss) (1,000 dollars) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | COGS to net sales ratio (percent) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Gross profit or (loss) to net sales ratio (percent) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table contined on next page.

**Table VI-3—Continued**
**SSLP pipe: Select results of operations of U.S. producers, by company, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | SG&A expense to net sales ratio (percent) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Operating income or (loss) to net sales ratio (percent) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Net income or (loss) to net sales ratio (percent) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table contined on next page.

**Table VI-3—Continued**
**SSLP pipe: Select results of operations of U.S. producers, by company, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Unit net sales value (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Unit raw materials (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Unit direct labor (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table contined on next page.

**Table VI-3—Continued**
**SSLP pipe: Select results of operations of U.S. producers, by company, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Unit other factory costs (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Unit COGS (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Unit gross profit or (loss) (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

Table contined on next page.

**Table VI-3—Continued**
**SSLP pipe: Select results of operations of U.S. producers, by company, 2017-19, January to March 2019, and January to March 2020**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Unit SG&A expenses (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Unit operating income or (loss) (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |
| | Unit net income or (loss) (dollars per short ton) | | | | |
| Benteler | *** | *** | *** | *** | *** |
| PTC | *** | *** | *** | *** | *** |
| TimkenSteel | *** | *** | *** | *** | *** |
| U. S. Steel Tubular | *** | *** | *** | *** | *** |
| Vallourec | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** |

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

## Net sales

As shown in table VI-1, net sales quantity and value both had similar trends, increasing from 2017 to 2018 (*** and *** percent, respectively), and then decreasing (*** and *** percent, respectively) from 2018 to 2019. As a result, both measures were lower in 2019 compared to 2017. The downward trend continued between the comparable interim periods, as sales quantities were lower by *** percent and sales values by *** percent in interim 2020 compared to interim 2019. While not all producers had these same trends, most did, and all producers reported lower sales values in interim 2020 compared to interim 2019. The decrease in sales value from 2017 to 2019 was driven by decreased sales quantities, as all five producers reported higher unit sales values in 2019 than in 2017. All five producers reported decreases in unit sales values of between *** percent and *** percent in interim 2020 compared to interim 2019, and all producers except *** reported decreases in sales quantities in the same time period. Such decreases ranged from *** to *** percent.

## Cost of goods sold and gross profit or (loss)

Cost of goods sold ("COGS") tended to follow the same general trends as sales—a large increase from 2017 to 2018, then a large decrease from 2018 to 2019, and a large decrease in interim 2020 compared to interim 2019. These trends were largely the result of changes in sales quantities, as the unit value of COGS steadily increased from period to period. The increase in the unit value of COGS from 2017 to 2019 was driven in turn by increases in unit raw materials ($*** per short ton) and unit direct labor ($*** per short ton) which more than offset decreases in unit other factory cost ($*** per short ton). All five producers reported increased unit raw materials costs and unit direct labor costs, while four of the five reported decreases in unit other factory costs. While the increase in per unit raw materials costs varied from producer to producer, increases occurred whether the producer purchased billets ***, produced billets ***, purchased scrap and alloys ***, or purchased redraw hollows ***. While all five producers reported increases in their unit direct labor costs, the overall increase was largely the result of the change in absolute costs between 2018 and 2019 for *** (an increase of *** percent) and *** (a decrease of *** percent) not being commensurate with the change

in sales quantities (decreases of *** percent and *** percent, respectively). With regards to other factory costs from 2017 to 2019, *** percent of the decrease was the result of a very large decrease in *** costs.[3]

The changes in gross profit mirrored the increase and then decrease in net sales – the SSLP pipe producers posted gross profit margins that increased from a slight loss (negative *** percent) in 2017 to a profit of *** percent in 2018, and then decreased to a smaller (*** percent) profit margin in 2019. The margin was lower at negative *** percent in January to March 2020 compared to *** in January-March 2019. All five producers reported similar trends in their gross margins throughout the period for which data were collected.

Table VI-4 presents a break-out of the raw material costs, by type, for fiscal year 2019.

**Table VI-4**
**SSLP pipe: U.S. producers' raw materials, by type, 2019**

| Raw materials | Fiscal year 2019 | | |
|---|---|---|---|
| | Value (1,000 dollars) | Unit value (dollars per short ton) | Share of value (percent) |
| Billets | *** | *** | *** |
| Redraw hollows | *** | *** | *** |
| Other material inputs | *** | *** | *** |
| Total, raw materials | *** | *** | *** |

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

[3] The company explained the decrease was due to a reallocation of costs ***. E-mail from ***, July 31, 2020.

## SG&A expenses and operating income or (loss)

Total SG&A expenses decreased irregularly from $*** in 2017 to $*** in 2019, and were lower in January-March 2020 ($***) compared to January-March 2019 $***.[4] The SG&A expense ratio (SG&A expenses as a share of sales) increased from *** percent in 2017 to *** percent in 2019, and was higher in January-March 2020 (*** percent) compared to January-March 2019 (*** percent). The changes in SG&A expenses reported by each producer were generally consistent with the trend in sales. The one exception was the increase in SG&A expenses reported by *** during interim 2020: while its sales quantities and values were decreasing by *** and *** percent, respectively. *** cost increase did not significantly change the overall industry's SG&A expense ratios between the interim periods.

The absolute value of the producers' operating income increased or decreased in line with the changes in net sales during the period of investigation. The producers reported a $*** loss (negative *** percent of sales) in 2017, a profit of $*** (*** percent of sales) in 2018, a loss of $*** (negative *** percent of sales) in 2019, and an even deeper loss of $*** million (negative *** percent of sales) during the 2020 interim period.

## Other expenses and net income or (loss)

Interest expenses, other expenses, and other income are aggregated and presented in table VI-1 as a single line item. The net amount irregularly increased from 2017 to 2019, and was lower in January-March 2020 compared to January-March 2019.

The net loss improved from a loss of $*** in 2017 to a net income *** in 2018 and then declined to a loss of $*** million again in 2019. The net income was lower during January-March in 2020 (a loss of $***) compared to January-March 2019 (a net income of $***).

[4] *** was unable to provide SG&A expense data allocated to the subject product, but indicated that its expense would be approximately the same as the other producers. Email from ***, July 31, 2020. Accordingly, staff calculated the aggregate SG&A/sales ratio of the four other producers and applied it to *** sales to estimate its SG&A expense for all reporting periods.

## Variance analysis

A variance analysis for the operations of U.S. producers of SSLP pipe is presented in table VI-5.[5] The information for this variance analysis is derived from table VI-1.

**Table VI-5**
**SSLP pipe: Variance analysis for U.S. producers, between fiscal years and partial year periods**

| Item | Between fiscal years | | | Between partial year period |
|---|---|---|---|---|
| | 2017-19 | 2017-18 | 2018-19 | 2019-20 |
| | Value (1,000 dollars) | | | |
| Net sales: | | | | |
| Price variance | *** | *** | *** | *** |
| Volume variance | *** | *** | *** | *** |
| Net sales variance | *** | *** | *** | *** |
| COGS: | | | | |
| Cost variance | *** | *** | *** | *** |
| Volume variance | *** | *** | *** | *** |
| COGS variance | *** | *** | *** | *** |
| Gross profit variance | *** | *** | *** | *** |
| SG&A expenses: | | | | |
| Cost/expense variance | *** | *** | *** | *** |
| Volume variance | *** | *** | *** | *** |
| Total SG&A expense variance | *** | *** | *** | *** |
| Operating income variance | *** | *** | *** | *** |
| Summarized (at the operating income level) as: | | | | |
| Price variance | *** | *** | *** | *** |
| Net cost/expense variance | *** | *** | *** | *** |
| Net volume variance | *** | *** | *** | *** |

Note.--Unfavorable variances are shown in parentheses; all others are favorable.

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

[5] The Commission's variance analysis is calculated in three parts: 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, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances.

## Capital expenditures, research and development expenses, total assets, and return on assets

Table VI-6 presents the U.S. producers' capital expenditures, research and development ("R&D") expenses, total assets, and return on assets ("ROA"). Table VI-7 provides the producers' narrative responses regarding the nature and focus of their capital expenditures and R&D expenses as well as descriptions of and/or substantial changes in assets.[6] [7]

**Table VI-6**
**SSLP pipe: Capital expenditures, R&D expenses, total assets, and ROA for U.S. producers, 2017-19, January to March 2019, and January to March 2020.**

| Item | Fiscal year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Value (1,000 dollars) | | | | |
| Capital expenditures | *** | *** | *** | *** | *** |
| R&D expenses | *** | *** | *** | *** | *** |
| Total assets | *** | *** | *** | | |
| | Percent | | | | |
| ROA | *** | *** | *** | | |

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

[6] ***. Email from ***, August 4, 2020.
[7] ***. Email from ***, August 4, 2020.

**Table VI-7**
**SSLP pipe: Nature and focus of capital expenditures and research and development (R&D) expenses for U.S. producers, 2017-19, January to March 2019, and January to March 2020**

| Firm | Nature and focus of capital expenditures |
|---|---|
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| | **Nature and focus of R&D expenses** |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| | **Assets description** |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |

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

## Capital and investment

The Commission requested U.S. producers of SSLP pipe to describe any actual or potential negative effects of imports of SSLP pipe from Korea and Russia on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-8 presents the number of firms reporting an impact in each category and table VI-9 provides the U.S. producers' narrative responses.

**Table VI-8**
**SSLP pipe: Actual and anticipated negative effects of imports on investment and growth and development**

| Item | No | Yes |
|---|---|---|
| Negative effects on investment | 1 | 5 |
| Cancellation, postponement, or rejection of expansion projects | | 3 |
| Denial or rejection of investment proposal | | 0 |
| Reduction in the size of capital investments | | 0 |
| Return on specific investments negatively impacted | | 1 |
| Other | | 3 |
| Negative effects on growth and development | 1 | 5 |
| Rejection of bank loans | | 0 |
| Lowering of credit rating | | 1 |
| Problem related to the issue of stocks or bonds | | 0 |
| Ability to service debt | | 1 |
| Other | | 4 |
| Anticipated negative effects of imports | 0 | 6 |

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

**Table VI-9**
**SSLP pipe: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development, since January 1, 2017**

| Item / Firm | Narrative |
|---|---|
| **Cancellation, postponement, or rejection of expansion projects:** | |
| *** | *** |
| *** | *** |
| **Other negative effects on investments:** | |
| *** | *** |
| *** | *** |
| *** | *** |
| **Lowering of credit rating:** | |
| *** | *** |
| **Ability to service debt:** | |
| *** | *** |
| **Other effects on growth and development:** | |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| **Anticipated effects of imports:** | |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |
| *** | *** |

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

# Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

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

*(VII) in any investigation under this title which involves imports of both a raw agricultural SSLP pipe (within the meaning of paragraph (4)(E)(iv)) and any SSLP pipe processed from such raw agricultural SSLP pipe, the likelihood that there will be increased imports, by reason of SSLP pipe shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural SSLP pipe or the processed agricultural SSLP pipe (but not both),*

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

*(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).*[2]

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

## The industry in Czechia

The Commission issued foreign producers' or exporters' questionnaires to five firms believed to produce and/or export SSLP pipe from Czechia.[3] Usable responses to the Commission's questionnaire were received from three firms: Liberty Ostrava a.s. ("Liberty Ostrava"), Trinecke Zelezarny a.s. and Moravia Steel a.s. (collectively, "Trinecke Zelezarny"), and Vàlcovny trub Chomutov a.s. ("Valcovny"). These firms' exports to the United States accounted for approximately *** percent of U.S. imports of SSLP pipe from Czechia in 2019. According to estimates requested of the responding Czechia producers, the production of SSLP pipe in Czechia reported in questionnaires accounts for *** of overall production of SSLP pipe in Czechia. Table VII- 1 presents information on the SSLP pipe operations of the responding producers and exporters in Czechia.

**Table VII-1**
**SSLP pipe: Summary data for producers in Czechia, 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) |
|---|---|---|---|---|---|---|
| Liberty Ostrava | *** | *** | *** | *** | *** | *** |
| Trinecke Zelezarny | *** | *** | *** | *** | *** | *** |
| Valcovny | *** | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** | *** |

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

Valcovny is a Czech producer of SSLP pipe ***.[4] According to information on its website, the EU market accounted for 71.5 percent of Valcovny's total sales in 2017, followed by North America (9.5 percent), Czechia (5.6 percent), the Far East and India (4.8 percent), other European countries (3.8 percent), and Africa, the Middle East, and Latin America (collectively 4.7 percent). Major end use applications for the firm's products include power engineering, oil pipelines (oil pipelines and oil tracks), the natural gas industry (gas lines and pipe connections),

[3] These firms were identified through a review of information submitted in the petition and contained in *** records.

[4] *** foreign producer questionnaire, II-6a.

waterworks (connections and lines), as well as the mining, chemical, and construction industries.[5]

Liberty Ostrava is a Czech producer of SSLP pipe and ***.[6] In the summer of 2019, Liberty Steel acquired ArcelorMittal's integrated steel works at Ostrava, along with six other steel making units and five service centers throughout Europe, for 740 million euros.[7] In August 2019, Liberty Ostrava announced that it was reducing production levels by 20 percent due to rising raw material prices and unfavorable market conditions caused by "unfair imports of steel from third countries, which now account for one-quarter of total EU steel consumption."[8] Liberty Ostrava is the largest integrated steel mill in Czechia and produces more than 2.0 million metric tons (2.2 million short tons) of steel annually, primarily for the construction and machinery manufacturing sectors. In addition to the Czech market, Liberty Ostrava also supplies customers in the construction, machinery manufacturing, road safety barrier, and steel tube markets in more than 40 countries. Liberty Ostrava's operations employ 6,000 workers.[9]

Trinecke Zelezarny is a Czech producer of SSLP pipe ***.[10] In 2019, Trinecke Zelezarny produced 2.5 million metric tons (2.8 million short tons) of crude steel, or 81,000 metric tons (89,287.2 short tons) less than 2018 levels due to a decline in demand for its products. The firm estimates that 2020 production volumes will rise to 2.6 million metric tons (2.9 million short tons). However, in January, the firm noted that it was reducing planned investments for 2020 due to adverse market conditions and lower selling prices.[11]

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[5] Valcovny Trub Chomutov, "Company Profile 2017," https://www.steel-holding.cz/images/company_profile_act.pdf, retrieved August 3, 2020.

[6] *** foreign producer questionnaire, II-6a.

[7] Atlas, "ArcelorMittal Ostrava Sold To Liberty Steel," *Prague Business Journal*, July 2, 2019, https://praguebusinessjournal.com/arcelormittal-ostrava-sold-to-liberty-steel/, retrieved August 3, 2020.

[8] Liberty Ostrava, "Economic Results of ArcelorMittal Ostrava (now Liberty Ostrava) for Year 2018," August 21, 2019, https://libertyostrava.cz/news/economic-results-of-arcelormittal-ostrava-now-liberty-ostrava-for-year-2018/?lang=en.

[9] Liberty House Group, "Liberty Ostrava," http://www.libertyhousegroup.com/our-businesses/liberty-steel/liberty-ostrava/, retrieved August 3, 2020.

[10] *** foreign producer questionnaire, II-6a.

[11] Investments in Trinecke Zelezarny Will Exceed CZK One Billion This Year," January 23, 2020, https://www.trz.cz/articles/81/dok257/investments-in-trinecke-zelezarny-will-exceed-czk-one-billion-this-year.

## Changes in operations

As presented in table VII-2 producers in Czechia reported several operational and organizational changes since January 1, 2017.

**Table VII-2**
**SSLP pipe: Czechia producers' reported changes in operations, since January 1, 2017**

| Item / Firm | Reported changed in operations |
|---|---|
| **Consolidations:** | |
| *** | *** |

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

## Operations on SSLP pipe

Table VII-3 presents information on the SSLP pipe operations of the responding producers and exporters in Czechia during 2017-19, January to March of 2020, and projections for 2020 and 2021. Between 2017 and 2019, the capacity of producers in Czechia expanded *** percent and is projected to decrease by *** percent in 2020 and *** in 2021. Overall production fell by *** percent during 2017-19, and is expected to continue fall in 2020 (*** percent) and more moderately in 2021 (*** percent). As such, capacity utilization decreased by *** percentage points to *** percent between 2017 and 2019 after experiencing a slight increase in 2018. Looking forward, firms in Czechia anticipate capacity utilization to further decrease to new lows (*** percent in 2020 compared to *** percent in 2019).

Total shipments of SSLP pipe from producers in Czechia decreased overall by *** percent to *** short tons from 2017 to 2019, with a *** *** percent increase in 2018. This increase is mainly driven by the *** percent increase in export shipments to the United States in 2018, and to a lesser extent the *** percent increase in commercial home market shipments during that same time. Exports constituted *** percent of shipments in 2019, with exports to the United States and exports to all other markets constituting *** percent and *** percent, respectively. Principle export markets of responding firms included ***. In 2020, Czechian firms anticipate a *** percent decrease in total shipments and *** percent decrease in shipments to the United States, which is expected to continue in 2021.

**Table VII-3**
**SSLP pipe: Data on industry in Czechia, 2017-19, January to March 2019, and January to March 2020 and projection calendar years 2020 and 2021**

| Item | Actual experience | | | | | Projections | |
|---|---|---|---|---|---|---|---|
| | Calendar year | | | January to March | | Calendar year | |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 |
| | Quantity (short tons) | | | | | | |
| Capacity | *** | *** | *** | *** | *** | *** | *** |
| Production | *** | *** | *** | *** | *** | *** | *** |
| End-of-period inventories | *** | *** | *** | *** | *** | *** | *** |
| Shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |
| | Ratios and shares (percent) | | | | | | |
| Capacity utilization | *** | *** | *** | *** | *** | *** | *** |
| Inventories/production | *** | *** | *** | *** | *** | *** | *** |
| Inventories/total shipments | *** | *** | *** | *** | *** | *** | *** |
| Share of shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |

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.

## Alternative products

As shown in table VII-4, responding Czechia firms produced other products on the same equipment and machinery used to produce SSLP pipe. SSLP pipe as a share of production fluctuated between 2017 and 2019, first increasing from *** percent in 2017 to *** percent in 2018, before decreasing to *** percent in 2019. Oil country tubular goods constituted *** percent of total production in 2019, followed by SSLP pipe with diameter larger than 16 inches that constituted *** percent in that same time. At *** percent of production in 2019, the remaining out-of-scope production on the same equipment as SSLP was other products, including ***.

**Table VII-4**
**SSLP pipe: Overall capacity and production on the same equipment as in-scope production by producers in Czechia, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| Overall capacity | *** | *** | *** | *** | *** |
| Production: SSLP pipe | *** | *** | *** | *** | *** |
| Out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |
| | Ratios and shares (percent) | | | | |
| Overall capacity utilization | *** | *** | *** | *** | *** |
| Share of production: SSLP pipe | *** | *** | *** | *** | *** |
| Share of out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |

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

## Exports

According to GTA, the leading export markets for SSLP pipe from Czechia are Germany, the United States, Italy, and Poland (table VII-5). During 2019, Germany was the top export market for SSLP pipe from Czechia, accounting for 23.6 percent in quantity terms, followed by the United States and Italy, accounting for 13.3 percent and 13.2 percent, respectively.

**Table VII-5**
**Seamless Tube and Pipe: Czechia exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 34,195 | 50,470 | 32,970 |
| Germany | 70,761 | 60,359 | 58,419 |
| Italy | 36,600 | 36,905 | 32,617 |
| Poland | 29,867 | 36,277 | 29,309 |
| Slovakia | 11,017 | 11,878 | 12,225 |
| Netherlands | 9,278 | 10,609 | 8,764 |
| Hungary | 10,064 | 9,760 | 7,395 |
| France | 9,937 | 8,429 | 7,234 |
| United Kingdom | 9,604 | 9,405 | 7,158 |
| All other destination markets | 60,825 | 55,836 | 51,485 |
| All destination markets | 282,148 | 289,928 | 247,575 |
| | Value (1,000 dollars) | | |
| United States | 28,255 | 50,776 | 29,999 |
| Germany | 62,689 | 68,950 | 60,296 |
| Italy | 32,195 | 41,593 | 34,013 |
| Poland | 27,838 | 40,586 | 30,166 |
| Slovakia | 17,277 | 20,653 | 18,913 |
| Netherlands | 8,593 | 12,423 | 9,607 |
| Hungary | 8,217 | 10,537 | 7,565 |
| France | 8,868 | 9,307 | 7,208 |
| United Kingdom | 9,099 | 10,900 | 7,541 |
| All other destination markets | 57,929 | 63,822 | 56,601 |
| All destination markets | 260,961 | 329,547 | 261,908 |

Table continued.

**Table VII-5--Continued**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 826 | 1,006 | 910 |
| Germany | 886 | 1,142 | 1,032 |
| Italy | 880 | 1,127 | 1,043 |
| Poland | 932 | 1,119 | 1,029 |
| Slovakia | 1,568 | 1,739 | 1,547 |
| Netherlands | 926 | 1,171 | 1,096 |
| Hungary | 816 | 1,080 | 1,023 |
| France | 892 | 1,104 | 996 |
| United Kingdom | 947 | 1,159 | 1,054 |
| All other destination markets | 952 | 1,143 | 1,099 |
| All destination markets | 925 | 1,137 | 1,058 |
| | Share of quantity (percent) | | |
| United States | 12.1 | 17.4 | 13.3 |
| Germany | 25.1 | 20.8 | 23.6 |
| Italy | 13.0 | 12.7 | 13.2 |
| Poland | 10.6 | 12.5 | 11.8 |
| Slovakia | 3.9 | 4.1 | 4.9 |
| Netherlands | 3.3 | 3.7 | 3.5 |
| Hungary | 3.6 | 3.4 | 3.0 |
| France | 3.5 | 2.9 | 2.9 |
| United Kingdom | 3.4 | 3.2 | 2.9 |
| All other destination markets | 21.6 | 19.3 | 20.8 |
| All destination markets | 100.0 | 100.0 | 100.0 |

Source: Official exports statistics under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 as reported by Eurostat in the Global Trade Atlas database, accessed July 22, 2020.

## The industry in Korea

The Commission issued foreign producers' or exporters' questionnaires to four firms believed to produce and/or export SSLP pipe from Korea.[12] The Commission received no responses.

Iljin Steel Corp is a Korean producer of SSLP pipe and established a seamless pipe production facility in Korea's North Jeolla Province in 2012. The company has also built an extensive worldwide network channel to provide services to customers.[13] Iljin manufacturers various line pipe products for both onshore and offshore applications in sizes ranging from NPS[14] 1" to 6" using a seamless manufacturing method in accordance with API 5L, EN, and DNV standards.[15] The company also inspects pipes for internal and external defects using both ultrasonic and electromagnetic inspection equipment and packages pipes in bundles in compliance with API loading and transportation standards. Delivery options for Iljin's line pipe products include plain-end beveled, threaded, and plain-end square cut end finish, as well as varnish or 3-LPE coating.[16]

Husteel Industry Group is a Korean producer and exporter of SSLP pipe. Husteel's products meet a variety of ASTM and API standard specifications, including but not limited to A-53, A-589, A-795, and API 5L specifications.[17] Husteel has production facilities in Dangjin, Daebul, and Daegu, in addition to sales offices in Canada, the United States, and Vietnam. It also operates a joint venture corporation in Saudi Arabia with Saudi Steel Pipe. Co. [18] The Dangin, Daebul, and Daegu plants have an annual production capacity of 700,000 metric tons

[12] These firms were identified through a review of information submitted in the petition and contained in *** records.

[13] Iljin Steel, "Overview," http://www.iljinsteel.com/eng/company/intro.jsp, retrieved August 3, 2020.

[14] Nominal Pipe Size (NPS) is a North American set of standards used to designate pipe diameter and thickness for high or low pressure and temperature applications.

[15] EN refers to standard specifications approved by the European Committee for Standardization. DNV/GL is a standards classification society that issues industry standard specifications for the maritime, oil and gas, and renewable energy industries. DNV GL, "About Us," https://www.dnvgl.com/about/index.html, retrieved August 4, 2020.

[16] Iljin Steel, "Products: Line Pipe," http://www.iljinsteel.com/eng/product/prd_info.jsp?cd=1013, retrieved August 3, 2020.

[17] Husteel, "Product," https://www.husteel.com/eng/product/product.hu, retrieved August 3, 2020.

[18] Husteel, "Place of Business," https://www.husteel.com/eng/aboutus/factory.hu, retrieved August 3, 2020.

(772,000 short tons), 300,000 metric tons (331,000 short tons), and 35,000 metric tons (39,000 short tons), respectively.[19]

Hansae Co. Ltd. is a Korean producer of SSLP pipe. The company's website notes that it can deliver small seamless pipe with an outside diameter of 3" (114 mm) within thirty days. Hansae also supplies pipe products with the following outside diameters: welded size (32" or 914 mm), large size (14" or 368 mm), and medium size (8" or 219 mm).[20] Hansae was Korea's first producer of 14" seamless pipe, and it expects to achieve $40 million in total export sales in 2020—a rise of $30 million from 2014 levels.[21] The company's pipe manufacturing division has a monthly production capacity of 500 metric tons (551 short tons).[22]

## Exports

According to GTA, the leading export markets for SSLP pipe from Korea are the United States, Vietnam, and Romania (table VII-6). During 2019, the United States was the top export market for SSLP pipe from Korea, accounting for 20.0 percent in quantity terms, followed by the Vietnam and Romania, accounting for 14.0 percent and 8.5 percent, respectively.

[19] Husteel, "Dangjin Plant," https://www.husteel.com/gallery/factorydetail.hu?lang=ENG&sid=1, retrieved August 3, 2020; Husteel, "Daebul Plant," https://www.husteel.com/gallery/factorydetail.hu?lang=ENG&sid=2, retrieved August 3, 2020; Husteel, "Daegu Plant," https://www.husteel.com/gallery/factorydetail.hu?lang=ENG&sid=3, retrieved August 3, 2020.

[20] Hansae Co. Ltd., "Product Info," http://hansaeglobal.com/en/field-of-business/pipe-works/product-information/, retrieved August 4, 2020.

[21] Hansae Co. Ltd., "Performance," http://hansaeglobal.com/en/field-of-business/pipe-works/business-performance/, retrieved August 4, 2020.

[22] Hansae Co. Ltd., "Capacity," http://hansaeglobal.com/en/field-of-business/pipe-works/producing-ability/, retrieved August 4, 2020.

**Table VII-6**
**Seamless Tube and Pipe: Korea exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 17,069 | 13,427 | 19,884 |
| Vietnam | 17,990 | 13,832 | 13,888 |
| Romania | 7,524 | 8,231 | 8,473 |
| Canada | 4,785 | 12,360 | 6,888 |
| Indonesia | 7,349 | 8,010 | 6,815 |
| Thailand | 1,788 | 7,033 | 5,789 |
| Iraq | 93 | 220 | 4,957 |
| United Arab Emirates | 3,114 | 3,757 | 4,534 |
| Italy | 5,529 | 5,384 | 4,336 |
| All other destination markets | 49,398 | 40,019 | 23,893 |
| All destination markets | 114,638 | 112,273 | 99,456 |
| | Value (1,000 dollars) | | |
| United States | 19,483 | 16,974 | 23,646 |
| Vietnam | 46,182 | 30,955 | 33,905 |
| Romania | 7,253 | 9,492 | 10,345 |
| Canada | 7,845 | 22,337 | 11,795 |
| Indonesia | 9,786 | 11,280 | 11,692 |
| Thailand | 3,912 | 11,710 | 12,642 |
| Iraq | 140 | 1,409 | 7,273 |
| United Arab Emirates | 28,917 | 8,759 | 7,980 |
| Italy | 6,497 | 7,156 | 5,305 |
| All other destination markets | 75,114 | 64,309 | 45,069 |
| All destination markets | 205,128 | 184,380 | 169,652 |

Table continued.

**Table VII-6--Continued**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 1,141 | 1,264 | 1,189 |
| Vietnam | 2,567 | 2,238 | 2,441 |
| Romania | 964 | 1,153 | 1,221 |
| Canada | 1,639 | 1,807 | 1,712 |
| Indonesia | 1,332 | 1,408 | 1,715 |
| Thailand | 2,188 | 1,665 | 2,184 |
| Iraq | 1,504 | 6,396 | 1,467 |
| United Arab Emirates | 9,287 | 2,331 | 1,760 |
| Italy | 1,175 | 1,329 | 1,224 |
| All other destination markets | 1,521 | 1,607 | 1,886 |
| All destination markets | 1,789 | 1,642 | 1,706 |
| | Share of quantity (percent) | | |
| United States | 14.9 | 12.0 | 20.0 |
| Vietnam | 15.7 | 12.3 | 14.0 |
| Romania | 6.6 | 7.3 | 8.5 |
| Canada | 4.2 | 11.0 | 6.9 |
| Indonesia | 6.4 | 7.1 | 6.9 |
| Thailand | 1.6 | 6.3 | 5.8 |
| Iraq | 0.1 | 0.2 | 5.0 |
| United Arab Emirates | 2.7 | 3.3 | 4.6 |
| Italy | 4.8 | 4.8 | 4.4 |
| All other destination markets | 43.1 | 35.6 | 24.0 |
| All destination markets | 100.0 | 100.0 | 100.0 |

Source: Official exports statistics under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 as reported by the Korea Customs and Trade Development Institution in the Global Trade Atlas database, accessed July 22, 2020.

## The industry in Russia

The Commission issued foreign producers' or exporters' questionnaires to two firms believed to produce and/or export SSLP pipe from Russia.[23] Usable responses to the Commission's questionnaire were received from both firms: ChelPipe and the TMK Group. These firms' exports to the United States accounted for approximately *** percent of U.S. imports of SSLP pipe from Russia in 2019. According to estimates requested of the responding Russian producers, the production of SSLP pipe in Russia reported in questionnaires accounts for *** of overall production of SSLP pipe in Russia. Table VII-7 presents information on the SSLP pipe operations of the responding producers and exporters in Russia.

**Table VII-7**
**SSLP pipe: Summary data for producers in Russia, 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) |
|---|---|---|---|---|---|---|
| PJSC ChelPipe | *** | *** | *** | *** | *** | *** |
| TMK Group | *** | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** | *** |

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.

ChelPipe is a Russian producer of SSLP pipe ***.[24] The company is one of the world's largest steel pipe manufacturers and the second largest manufacturer in Russia, and supplies seamless industrial pipe, seamless oil and gas pipes, LDP and other welded pipes, trunk pipeline systems, and oilfield services. According to its website, ChelPipe has a strong position in the growing industrial seamless pipe industry.[25] ChelPipe's Chelyabinsk plant has an annual production capacity of 0.5 million metric tons (551,000 short tons) of seamless pipe, while its Pervouralsk pipe plant has an annual production capacity of 1.2 million metric tons (1.3 million

[23] These firms were identified through a review of information submitted in the petition and contained in *** records.

[24] *** foreign producer questionnaire, II-6a.

[25] ChelPipe Group, "About Us," https://chelpipegroup.com/about/, retrieved August 4, 2020.

short tons) of seamless pipe; 85 percent of the seamless pipes at Pervouralsk are made using the facility's own billets.[26]

TMK Group is a Russian producer of SSLP pipe ***.[27] The company is Russia's largest producer and exporter of steel pipes and a major global supplier for the oil and gas industry. TMK Group has seven production plants and 38,000 employees across its Russian operations. The company's Volzhksy and Sinarksy pipe plants manufacture seamless pipe for a variety of end use applications. The Volzhsky pipe plant produces seamless steel pipe for the oil and gas, chemical, petrochemical, automotive, machine-building and thermal energy sectors, while the Sinarksy plant manufacturers seamless hot-rolled and cold-deformed pipes, among other products, for the oil and gas industry.[28]

## Changes in operations

As presented in table VII-8 producers in Russia reported several operational and organizational changes since January 1, 2017.

**Table VII-8**
**SSLP pipe: Reported changes in operations by producers in Russia, since January 1, 2017**

| Item / Firm | Reported changed in operations |
|---|---|
| **Consolidations:** | |
| *** | *** |
| **Revised labor agreements:** | |
| *** | *** |
| **Other:** | |
| *** | *** |
| *** | *** |

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

[26] ChelPipe Group, "Manufacture and Technologies," https://chelpipegroup.com/about/production-and-technology/, retrieved August 4, 2020.

[27] *** foreign producer questionnaire, II-6a.

[28] TMK Group, "TMK Russian Division," https://www.tmk-group.com/production_russia#vtz1, retrieved August 4, 2020.

## Operations on SSLP pipe

Table VII-9 presents information on the SSLP pipe operations of the responding producers and exporters in Russia from January 2017 to March 2020, and projections for 2020 and 2021. During 2017-19, Russian producers of SSLP pipe experienced a *** percent decrease in capacity and those producers projected that capacity would *** in 2020 and 2021. Coupled with a *** percent decrease in overall production between 2017 and 2019, capacity utilization decreased from *** percent in 2017 to *** percent in 2019. In 2020 and 2021, Russian producers expect capacity utilization to *** percent.

**Table VII-9**
**SSLP pipe: Data on industry in Russia, 2017-19, January to March 2019, and January to March 2020 and projection calendar years 2020 and 2021**

| Item | Actual experience | | | | | Projections | |
|---|---|---|---|---|---|---|---|
| | Calendar year | | | January to March | | Calendar year | |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 |
| | Quantity (short tons) | | | | | | |
| Capacity | *** | *** | *** | *** | *** | *** | *** |
| Production | *** | *** | *** | *** | *** | *** | *** |
| End-of-period inventories | *** | *** | *** | *** | *** | *** | *** |
| Shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |

Table continued.

**Table VII-9--Continued**

| Item | Actual experience | | | | | Projections | |
|---|---|---|---|---|---|---|---|
| | Calendar year | | | January to March | | Calendar year | |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 |
| | Ratios and shares (percent) | | | | | | |
| Capacity utilization | *** | *** | *** | *** | *** | *** | *** |
| Inventories/production | *** | *** | *** | *** | *** | *** | *** |
| Inventories/total shipments | *** | *** | *** | *** | *** | *** | *** |
| Share of shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |

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.

Total shipments of SSLP pipe from by producers in Russia decreased by *** percent overall between 2017 and 2019. The principle contributor to this trend is the *** decrease in commercial home market shipments, followed by a *** decrease in export shipments to all other markets. During that same time, exports to the exports to the United States *** increased, though only comprising less than *** percent of total shipments throughout the period. Over *** percent of shipments are to Russia's commercial market. For the remaining *** percent of exported SSLP pipe, firms reported *** as destination markets. In 2020, Russian firms project that total shipments will fall *** and recover *** in 2021.

## Alternative products

As shown in table VII-10, responding Russia firms produced other products on the same equipment and machinery used to produce SSLP pipe. SSLP pipe as a share of production decreased from *** percent in 2017 to *** percent in 2019 and is projected to fall to *** percent by 2021. Oil country tubular goods comprised *** percent of production in 2019, while SSLP pipe with diameters larger than 16 inches constituted less than *** percent of total production during 2017-19.

**Table VII-10**
**SSLP pipe: Overall capacity and production on the same equipment as in-scope production by producers in Russia, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| Overall capacity | *** | *** | *** | *** | *** |
| Production: SSLP pipe | *** | *** | *** | *** | *** |
| Out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |
| | Ratios and shares (percent) | | | | |
| Overall capacity utilization | *** | *** | *** | *** | *** |
| Share of production: SSLP pipe | *** | *** | *** | *** | *** |
| Share of out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |

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

## Exports

According to GTA, the leading export markets for SSLP pipe from Russia are Kazakhstan, the United States, and Belarus (table VII-11). During 2019, Kazakhstan was the top export

market for SSLP pipe from Russia, accounting for 23.5 percent in quantity terms, followed by the United States and Belarus, accounting for 20.8 percent and 12.9 percent, respectively.

**Table VII-11**
**Seamless Tube and Pipe: Russia exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 34,526 | 41,173 | 61,294 |
| Kazakhstan | 76,001 | 109,884 | 69,337 |
| Belarus | 53,236 | 49,034 | 38,120 |
| Uzbekistan | 7,487 | 31,732 | 29,253 |
| Egypt | 6,187 | 35,794 | 23,657 |
| Azerbaijan | 3,136 | 8,190 | 12,461 |
| India | 14,398 | 1,286 | 9,768 |
| Ukraine | 12,576 | 15,008 | 8,319 |
| Iraq | --- | 92 | 8,258 |
| All other destination markets | 90,183 | 108,979 | 34,553 |
| All destination markets | 297,730 | 401,172 | 295,019 |
| | Value (1,000 dollars) | | |
| United States | 28,860 | 38,170 | 53,237 |
| Kazakhstan | 66,843 | 100,201 | 83,336 |
| Belarus | 56,516 | 55,465 | 41,131 |
| Uzbekistan | 9,125 | 33,590 | 32,209 |
| Egypt | 3,021 | 28,202 | 16,398 |
| Azerbaijan | 2,706 | 7,307 | 11,003 |
| India | 8,778 | 4,013 | 21,978 |
| Ukraine | 12,921 | 15,548 | 9,713 |
| Iraq | --- | 201 | 9,446 |
| All other destination markets | 47,190 | 81,665 | 32,269 |
| All destination markets | 235,961 | 364,360 | 310,719 |

Table continued.

**Table VII-11--Continued**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 836 | 927 | 869 |
| Kazakhstan | 880 | 912 | 1,202 |
| Belarus | 1,062 | 1,131 | 1,079 |
| Uzbekistan | 1,219 | 1,059 | 1,101 |
| Egypt | 488 | 788 | 693 |
| Azerbaijan | 863 | 892 | 883 |
| India | 610 | 3,121 | 2,250 |
| Ukraine | 1,027 | 1,036 | 1,168 |
| Iraq | --- | 2,188 | 1,144 |
| All other destination markets | 523 | 749 | 934 |
| All destination markets | 793 | 908 | 1,053 |
| | Share of quantity (percent) | | |
| United States | 11.6 | 10.3 | 20.8 |
| Kazakhstan | 25.5 | 27.4 | 23.5 |
| Belarus | 17.9 | 12.2 | 12.9 |
| Uzbekistan | 2.5 | 7.9 | 9.9 |
| Egypt | 2.1 | 8.9 | 8.0 |
| Azerbaijan | 1.1 | 2.0 | 4.2 |
| India | 4.8 | 0.3 | 3.3 |
| Ukraine | 4.2 | 3.7 | 2.8 |
| Iraq | --- | 0.0 | 2.8 |
| All other destination markets | 30.3 | 27.2 | 11.7 |
| All destination markets | 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.

Source: Official exports statistics under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 as reported by the Customs Committee of Russia in the Global Trade Atlas database, accessed July 22, 2020.

## The industry in Ukraine

The Commission issued foreign producers' or exporters' questionnaires to one firm believed to produce and/or export SSLP pipe from Ukraine.[29] The Commission received a usable questionnaire from Interpipe Ukraine. This firm's exports to the United States accounted for approximately *** percent of U.S. imports of SSLP pipe from Ukraine in 2019.[30] According to estimates requested of the responding producer (Interpipe Ukraine), its production of SSLP pipe in Ukraine reported in questionnaires accounts for *** of overall production of SSLP pipe in Ukraine in 2019. Table VII-12 presents information on the SSLP pipe operations of Interpipe Ukraine.

**Table VII-12**
**SSLP pipe: Summary data for Interpipe Ukraine, 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) |
|---|---|---|---|---|---|---|
| Interpipe Ukraine | *** | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** | *** |

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

Interpipe Ukraine LLC is a producer of SSLP pipe in Ukraine ***.[31] The company supplies pipe products used for oil and gas exploration and transportation, power generation, and mechanical and structural applications to customers in over 80 countries.[32] Interpipe STEEL is a greenfield electric steel melting complex that uses Danieli equipment, similar to that used in the U.S. industry (see Part I: Manufacturing Processes). The facility has an annual production

[29] These firms were identified through a review of information submitted in the petition and contained in *** records.

[30] "Ukraine has temporarily lost control over the steel plants and enterprises of related industries located in the certain areas of the Donetsk and Luhansk regions, such as Alchevsk Iron & Steel Works, Donetsk metallurgical plant, Enakiieve Iron & Steel Works and its Makiivka Branch, Khartsyzsk pipe plant, Yenakiieve Coke, Komsomolske Flux, Krasnodon Coal, Donetsk Coke and others. Accordingly, steelmaking capacity of Ukraine decreased from 42.5 million tons in 2013 to 28.3 million tons in 2019." Ministry for Development of Economy, Trade, and Agriculture of Ukraine, p. 4.

[31] *** foreign producer questionnaire, II-6a.

[32] Interpipe, "About Us," https://me.interpipe.biz/company/about_us, retrieved August 4, 2020.

capacity of 1.3 million metric tons (1.4 million short tons) of round billets. Interpipe's NIKO TUBE operations produce seamless pipes under various national and international standard specifications for the petroleum refining, petrochemical, aircraft, oil and gas, and shipbuilding industries. NIKO TUBE's production facilities have a continuous tube-rolling mill, a plug mill, and a threaded pipe finishing floor. Interpipe's NTRP operations specialize in the production of seamless pipes for extraction and transportation of oil and gas products. NTRP's production facilities have a non-destructive testing line, coupling production and non-destructive testing lines, tube-rolling shops with plug, pilger, and assel mills, among other features.[33]

## Changes in operations

As presented in table VII-13, Interpipe Ukraine reported several operational and organizational changes since January 1, 2017.

**Table VII-13**
**SSLP pipe: Interpipe Ukraine's reported changes in operations, since January 1, 2017**

| Item / Firm | Reported changed in operations |
|---|---|
| **Other:** | |
| *** | *** |

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

[33] Interpipe STEEL, NIKO, and NTRP are seamless pipe producing units of Interpipe. Interpipe, "Production," https://me.interpipe.biz/company/production_mills, retrieved August 4, 2020.

## Operations on SSLP pipe

Table VII-14 presents information on the SSLP pipe operations of Interpipe Ukraine during 2017-19, January to March of 2020, and projections for 2020 and 2021. From 2017 to 2019, Interpipe Ukraine's capacity *** and is projected to *** in 2020 and 2021.[34] Overall production fluctuated during 2017-19, increasing by *** percent to *** short tons in 2018 before falling by *** in 2019. Interpipe Ukraine projects production to continue to fall in 2020 (*** percent), before experiencing a *** recovery in 2021. Together, capacity utilization decreased from *** percent in 2017 to *** percent in 2019, after a period high of *** percent in 2018. Interpipe Ukraine anticipates capacity utilization to further decrease to *** percent in 2020 and *** percent in 2021.

Between 2017 and 2019, total shipments of Interpipe Ukraine *** overall, with a moderate (*** percent) increase in 2018. Most shipments increased in 2018, including exports to all other markets (***), exports to the United States (***), and commercial home market shipments (***). Throughout all of 2017-19, exports to all other markets ***, as the *** increase in exports to the United States offset the *** decrease in commercial home market shipments. During 2017-19, *** percent of SSLP pipe shipments from Interpipe Ukraine were exports to other markets including ***. In 2020, Interpipe Ukraine expects total shipments to decrease *** by *** percent before recovering slightly by *** percent in 2021 through increased commercial home market shipments and exports to all other markets.

[34] In discussing Interpipe Ukraine's *** overall production capacity ***, Respondent Interpipe notes that "***ather, Interpipe is faced with the opposite scenario – it anticipates *** as a result of COVID-19 and decreased demand in the oil and gas sector." Respondent Interpipe's postconference brief, p. 44.

**Table VII-14**
**SSLP pipe: Data on industry in Ukraine, 2017-19, January to March 2019, and January to March 2020 and projection calendar years 2020 and 2021**

| Item | Actual experience | | | | | Projections | |
|---|---|---|---|---|---|---|---|
| | Calendar year | | | January to March | | Calendar year | |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 |
| | Quantity (short tons) | | | | | | |
| Capacity | *** | *** | *** | *** | *** | *** | *** |
| Production | *** | *** | *** | *** | *** | *** | *** |
| End-of-period inventories | *** | *** | *** | *** | *** | *** | *** |
| Shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |
| | Ratios and shares (percent) | | | | | | |
| Capacity utilization | *** | *** | *** | *** | *** | *** | *** |
| Inventories/production | *** | *** | *** | *** | *** | *** | *** |
| Inventories/total shipments | *** | *** | *** | *** | *** | *** | *** |
| Share of shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |

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.

## Alternative products

***.

**Table VII-15**
**SSLP pipe: Interpipe Ukraine's overall capacity and production on the same equipment as subject production, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Quantity (short tons) | | | | |
| Overall capacity | *** | *** | *** | *** | *** |
| Production: SSLP pipe | *** | *** | *** | *** | *** |
| Out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |
| | Ratios and shares (percent) | | | | |
| Overall capacity utilization | *** | *** | *** | *** | *** |
| Share of production: SSLP pipe | *** | *** | *** | *** | *** |
| Share of out-of-scope production: SSLP pipe, outside diameter larger than 16 inches | *** | *** | *** | *** | *** |
| Oil country tubular goods | *** | *** | *** | *** | *** |
| Other products | *** | *** | *** | *** | *** |
| Out-of-scope production | *** | *** | *** | *** | *** |
| Total production on same machinery | *** | *** | *** | *** | *** |

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

## Exports

According to GTA, the leading export markets for SSLP pipe from Ukraine are the United States, Poland, Turkey, and Italy (table VII-16). During 2019, the United States was the top export market for SSLP pipe from Ukraine, accounting for 15.8 percent, followed by the Poland (8.6 percent), Turkey (8.2 percent) and Italy (7.8 percent).

**Table VII-16**
**Seamless Tube and Pipe: Ukraine exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 41,908 | 46,052 | 47,040 |
| Poland | 18,069 | 25,492 | 25,570 |
| Turkey | 27,289 | 26,322 | 24,478 |
| Italy | 27,305 | 28,659 | 23,022 |
| Germany | 20,694 | 19,666 | 17,674 |
| Saudi Arabia | 19,837 | 20,047 | 16,277 |
| United Arab Emirates | 13,059 | 15,224 | 14,769 |
| India | 6,144 | 4,513 | 12,067 |
| Russia | 46,473 | 24,647 | 11,539 |
| All other destination markets | 78,358 | 100,107 | 104,355 |
| All destination markets | 299,136 | 310,729 | 296,792 |
| | Value (1,000 dollars) | | |
| United States | 25,427 | 39,238 | 37,831 |
| Poland | 12,239 | 20,194 | 18,744 |
| Turkey | 15,894 | 18,941 | 15,679 |
| Italy | 17,750 | 23,347 | 18,109 |
| Germany | 13,256 | 16,792 | 13,522 |
| Saudi Arabia | 13,001 | 17,421 | 14,133 |
| United Arab Emirates | 8,598 | 13,272 | 12,848 |
| India | 2,550 | 2,307 | 5,947 |
| Russia | 39,647 | 34,677 | 13,506 |
| All other destination markets | 60,660 | 93,298 | 91,248 |
| All destination markets | 209,021 | 279,488 | 241,567 |

Table continued.

**Table VII-16--Continued**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 607 | 852 | 804 |
| Poland | 677 | 792 | 733 |
| Turkey | 582 | 720 | 641 |
| Italy | 650 | 815 | 787 |
| Germany | 641 | 854 | 765 |
| Saudi Arabia | 655 | 869 | 868 |
| United Arab Emirates | 658 | 872 | 870 |
| India | 415 | 511 | 493 |
| Russia | 853 | 1,407 | 1,170 |
| All other destination markets | 774 | 932 | 874 |
| All destination markets | 699 | 899 | 814 |
| | Share of quantity (percent) | | |
| United States | 14.0 | 14.8 | 15.8 |
| Poland | 6.0 | 8.2 | 8.6 |
| Turkey | 9.1 | 8.5 | 8.2 |
| Italy | 9.1 | 9.2 | 7.8 |
| Germany | 6.9 | 6.3 | 6.0 |
| Saudi Arabia | 6.6 | 6.5 | 5.5 |
| United Arab Emirates | 4.4 | 4.9 | 5.0 |
| India | 2.1 | 1.5 | 4.1 |
| Russia | 15.5 | 7.9 | 3.9 |
| All other destination markets | 26.2 | 32.2 | 35.2 |
| All destination markets | 100.0 | 100.0 | 100.0 |

Source: Official exports statistics under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 as reported by the Korea Customs and Trade Development Institution in the Global Trade Atlas database, accessed July 22, 2020.

## Subject countries combined

Table VII-17 presents summary data on SSLP pipe operations of the reporting subject producers in the subject countries Czechia, Russia, and Ukraine during 2017-19, January to March 2020, and projections for calendar years 2020 and 2021. Combined, responding foreign producers have a *** overall capacity in 2019, down by *** percent compared to 2017. In 2019, combined production of SSLP pipe totaled *** short tons and has also fallen since 2017 by ***. Altogether, combined capacity utilization decreased from *** percent in 2017 to *** percent in 2019. Responding foreign producers project capacity utilization to *** percent in 2020 and 2021.

**Table VII-17**
**SSLP pipe: Data on industry in subject countries, 2017-19, January to March 2019, and January to March 2020 and projection calendar years 2020 and 2021**

| Item | Actual experience | | | | | Projections | |
|---|---|---|---|---|---|---|---|
| | Calendar year | | | January to March | | Calendar year | |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 |
| | Quantity (short tons) | | | | | | |
| Capacity | *** | *** | *** | *** | *** | *** | *** |
| Production | *** | *** | *** | *** | *** | *** | *** |
| End-of-period inventories | *** | *** | *** | *** | *** | *** | *** |
| Shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |

Table continued.

**Table VII-17--Continued**

| Item | Actual experience | | | | | Projections | |
|---|---|---|---|---|---|---|---|
| | Calendar year | | | January to March | | Calendar year | |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2020 | 2021 |
| | Ratios and shares (percent) | | | | | | |
| Capacity utilization | *** | *** | *** | *** | *** | *** | *** |
| Inventories/production | *** | *** | *** | *** | *** | *** | *** |
| Inventories/total shipments | *** | *** | *** | *** | *** | *** | *** |
| Share of shipments: | | | | | | | |
| Home market shipments: | | | | | | | |
| Internal consumption/ transfers | *** | *** | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Total home market shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments to: | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | *** | *** | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** | *** | *** |

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.

Combined total shipments of responding foreign producers decreased by *** percent during 2017-19, from *** short tons in 2017 to *** short tons in 2019. Decreases during period in commercial home market shipments (*** percent) and exports to all other markets (*** percent) are the primary contributors to this period trend. On the other hand, combined exports to the United States increased by *** percent between 2017 and 2019, experiencing a period high in 2018 at *** short tons. Though increasing over the period, exports to the United States are a *** share of combined total shipments *** percent as the *** of combined shipments are to commercial home markets (*** percent in 2019) followed by all other markets (*** percent in 2019). Projections suggest combined total shipments will decrease further in 2020, largely due to reductions in commercial home market shipments and exports to the United States, before recovering *** in 2021, mainly as a result of increased commercial home market shipments and exports to all other markets.

## U.S. inventories of imported merchandise

Table VII-18 presents data on U.S. importers' reported inventories of SSLP pipe. ***

**Table VII-18**
**SSLP pipe: U.S. importers' end-of-period inventories of imports by source, 2017-19, January to March 2019, and January to March 2020**

| Item | Calendar year | | | January to March | |
|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2019 | 2020 |
| | Inventories (short tons); Ratios (percent) | | | | |
| Imports from Czechia: Inventories | *** | *** | *** | *** | *** |
| Ratio to U.S. imports | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments of imports | *** | *** | *** | *** | *** |
| Ratio to total shipments of imports | *** | *** | *** | *** | *** |
| Imports from Ukraine: Inventories | *** | *** | *** | *** | *** |
| Ratio to U.S. imports | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments of imports | *** | *** | *** | *** | *** |
| Ratio to total shipments of imports | *** | *** | *** | *** | *** |
| 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 sources: Inventories | *** | *** | *** | *** | *** |
| Ratio to U.S. imports | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments of imports | *** | *** | *** | *** | *** |
| Ratio to total shipments of imports | *** | *** | *** | *** | *** |

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

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

## U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of SSLP pipe from Czechia, Korea, Russia, or Ukraine after March 31, 2020.

**Table VII-19**
**SSLP pipe: Arranged imports, April 2020 through March 2021**

| Item | Period | | | | |
|---|---|---|---|---|---|
| | Apr-Jun 2020 | Jul-Sept 2020 | Oct-Dec 2020 | Jan-Mar 2021 | Total |
| | Quantity (short tons) | | | | |
| Arranged U.S. imports from.-- Czechia | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** |
| Russia | *** | *** | *** | *** | *** |
| Ukraine | *** | *** | *** | *** | *** |
| 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.

## Antidumping or countervailing duty orders in third-country markets

Petitioners and respondents note that various countries have active antidumping orders on certain subject countries in these investigations.[35] According to the World Trade Organization's ("WTO's") Antidumping Duty Gateway database, the European Union, Brazil, Mexico, Canada, and the Eurasian Economic Union have active orders on certain SSLP pipe from Korea, Russia, or Ukraine. Imports of certain seamless pipes and tubes from Russia and Ukraine are subject to antidumping duty measures in the European Union.[36] Brazil has active antidumping duty orders on certain seamless carbon steel line pipe for oil and gas pipelines imported under HS subheading 7304.19 from Ukraine.[37] Mexico also has active antidumping

[35] Conference transcript, p. 61 (Drake and Schagrin) and p. 95 (Wessel); Vallourec's postconference brief, pp. 7-8.

[36] European Union, "Semi-Annual Report Under Article 16.4 of the Agreement," G/ADP/N/335/EU, July 17, 2020.

[37] Brazil, "Semi-Annual Report Under Article 16.4 of the Agreement," G/ADP/N/335/BRA, April 7, 2020.

duty orders on seamless carbon steel tubing from Korea and Ukraine.[38] Canada currently has active antidumping duty orders on imports of certain line pipe imported under HS subheading 7604.19 from Korea.[39] The Eurasian Economic Union, which encompasses Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan, has active antidumping duty orders on certain steel pipes and tubes imported from Ukraine.[40]

In addition to the aforementioned antidumping orders, the European Union has active safeguard measures on imports of certain steel products, including SSLP pipe, imported from all countries.[41] The Eurasian Economic Union also has a ban on imports of a variety of products, including tubes and pipes, from Ukraine due to Russia's economic sanctions on Ukraine.[42] ***.[43]

[38] Mexico, "Semi-Annual Report Under Article 16.4 of the Agreement," G/ADP/N/335/MEX, March 16, 2020.

[39] Canada Border Services Agency, "Certain Line Pipe 2: Dumping (South Korea)," https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/lp2-eng.html, retrieved August 4, 2020.

[40] Russia, "Semi-Annual Report Under Article 16.4 of the Agreement," G/ADP/N/335/RUS, May 6, 2020.

[41] European Union, "Committee on Safeguards - Notification under Article 12 of the Agreement on Safeguards - European Union - Certain steel products – Supplement," G/SG/N/10/EU/1/Suppl.7, June 2, 2020.

[42] Movchan, "New Russian Bans on Imports From Ukraine," *4Liberty.eu*, August 12, 2019, http://4liberty.eu/new-russian-bans-on-imports-from-ukraine/; Vallourec's postconference brief at Exhibit 5.

[43] ***; ***.

## Information on nonsubject countries

Data on global exports of seamless pipes and tubes are presented in table VII-20. According to GTA, China, Germany, and Italy were the leading exporters of seamless pipes and tubes. During 2019, China accounted for 37.6 percent of global exports, by quantity. Germany and the Italy accounted for 12.2 percent and 6.4 percent of global exports, respectively.

**Table VII-20**
**Seamless pipes and tubes: Global exports by destination market, 2017-19**

| Exporter | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 143,150 | 130,270 | 94,061 |
| Czechia | 282,148 | 289,928 | 247,575 |
| Korea | 114,638 | 112,273 | 99,456 |
| Russia | 297,730 | 401,172 | 295,019 |
| Ukraine | 299,136 | 310,729 | 296,792 |
| Subject exporters | 993,651 | 1,114,102 | 938,842 |
| China | 3,005,710 | 2,826,136 | 2,959,561 |
| Germany | 1,062,575 | 1,084,284 | 958,279 |
| Italy | 452,693 | 543,504 | 499,650 |
| Romania | 414,106 | 432,783 | 404,127 |
| Japan | 351,836 | 409,595 | 349,646 |
| South Africa | 69,541 | 61,436 | 211,336 |
| Slovakia | 203,791 | 207,750 | 194,477 |
| Mexico | 175,933 | 216,861 | 152,955 |
| All other exporters | 1,758,111 | 1,924,083 | 1,099,027 |
| All exporters | 8,631,097 | 8,950,804 | 7,861,961 |
| | Value (1,000 dollars) | | |
| United States | 406,661 | 395,396 | 271,753 |
| Czechia | 260,961 | 329,547 | 261,908 |
| Korea | 205,128 | 184,380 | 169,652 |
| Russia | 235,961 | 364,360 | 310,719 |
| Ukraine | 209,021 | 279,488 | 241,567 |
| Subject exporters | 911,070 | 1,157,775 | 983,846 |
| China | 2,454,118 | 2,757,506 | 2,761,366 |
| Germany | 1,618,626 | 1,731,257 | 1,506,479 |
| Italy | 639,474 | 871,889 | 768,711 |
| Romania | 430,633 | 547,004 | 479,882 |
| Japan | 542,056 | 586,779 | 552,329 |
| South Africa | 49,760 | 58,363 | 37,318 |
| Slovakia | 204,973 | 254,951 | 222,935 |
| Mexico | 184,230 | 254,171 | 212,075 |
| All other exporters | 2,512,214 | 2,931,471 | 1,937,026 |
| All exporters | 9,953,816 | 11,546,562 | 9,733,720 |

Table continued.

**Table VII-20--Continued**
**Seamless pipes and tubes: Global exports by destination market, 2017-19**

| Exporter | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 2,841 | 3,035 | 2,889 |
| Czechia | 925 | 1,137 | 1,058 |
| Korea | 1,789 | 1,642 | 1,706 |
| Russia | 793 | 908 | 1,053 |
| Ukraine | 699 | 899 | 814 |
| Subject exporters | 917 | 1,039 | 1,048 |
| China | 816 | 976 | 933 |
| Germany | 1,523 | 1,597 | 1,572 |
| Italy | 1,413 | 1,604 | 1,538 |
| Romania | 1,040 | 1,264 | 1,187 |
| Japan | 1,541 | 1,433 | 1,580 |
| South Africa | 716 | 950 | 177 |
| Slovakia | 1,006 | 1,227 | 1,146 |
| Mexico | 1,047 | 1,172 | 1,387 |
| All other exporters | 1,429 | 1,524 | 1,762 |
| All exporters | 1,153 | 1,290 | 1,238 |
| | Share of quantity (percent) | | |
| United States | 1.7 | 1.5 | 1.2 |
| Czechia | 3.3 | 3.2 | 3.1 |
| Korea | 1.3 | 1.3 | 1.3 |
| Russia | 3.4 | 4.5 | 3.8 |
| Ukraine | 3.5 | 3.5 | 3.8 |
| Subject exporters | 11.5 | 12.4 | 11.9 |
| China | 34.8 | 31.6 | 37.6 |
| Germany | 12.3 | 12.1 | 12.2 |
| Italy | 5.2 | 6.1 | 6.4 |
| Romania | 4.8 | 4.8 | 5.1 |
| Japan | 4.1 | 4.6 | 4.4 |
| South Africa | 0.8 | 0.7 | 2.7 |
| Slovakia | 2.4 | 2.3 | 2.5 |
| Mexico | 2.0 | 2.4 | 1.9 |
| All other exporters | 20.4 | 21.5 | 14.0 |
| All exporters | 100.0 | 100.0 | 100.0 |

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

Source: Official exports statistics under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 reported by various national statistical authorities in the Global Trade Atlas database, accessed July 22, 2020 and official global imports statistics from Mexico under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 reported by various national statistical authorities in the Global Trade Atlas database, accessed August 11, 2020.

## The industry in Germany

Germany is a leading nonsubject source of U.S. imports of seamless pipes and tubes. Vallourec is a German producer of seamless pipes and tubes. The company operates three tube mills in North Rhine-Westphalia. Vallourec's Dusseldorf-Rath operations have a plug and pilger mill—the pilger rolling mill specializes in tubes with large diameter and wall thickness (241 mm to 711 mm (9.5" to 28.0") outside diameter and wall thicknesses from 10 to 110 mm (0.4" to 4.3")). The plug mill produces pipe in sizes ranging from 193.7 to 406.4 mm (7.6" to 16.0" inches). The company's Mulheim an der Ruhr tube continuous rolling mill produces seamless steel tubes to an outside diameter up to 7.0".[44]

Benteler is a German producer of seamless pipes and tubes. The company has five steel tube manufacturing facilities in: Bottrop, Dinslaken, Lingen, Schloss Neuhaus, Paderborn, with Benteler Steel/Tube headquarters located in Paderborn.[45] Benetler supplies customers in the OCTG/line pipe, heat transfer, automobile, construction, and hydraulics industries.[46]

Data on Germany's exports of seamless pipes and tubes are presented in table VII-21. According to GTA, the leading export markets seamless pipes and tubes from Germany are France, Italy, and the United States. During 2019, France accounted for 23.4 percent of Germany's total exports. Italy and the United States accounted for 8.2 percent and 8.1 percent of Germany's total exports, respectively.

[44] Vallourec Germany, "Our Tube Mills," https://www.vallourec.com/en/germany/locations, retrieved August 5, 2020.

[45] Benteler, "Benteler at a Glance," https://www.benteler.com/en/benteler-at-a-glance/global-presence-map-only/, retrieved August 5, 2020.

[46] Benteler, "Benteler Steel/Tube," https://www.benteler.com/en/divisions/benteler-steel/tube/, retrieved August 5, 2020.

**Table VII-21**
**Seamless pipes and tubes: Germany exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 77,804 | 86,394 | 77,825 |
| France | 285,779 | 294,808 | 223,804 |
| Italy | 88,572 | 90,747 | 79,045 |
| Netherlands | 107,394 | 93,349 | 70,796 |
| Austria | 60,615 | 65,900 | 56,663 |
| Spain | 27,126 | 27,859 | 35,515 |
| United Kingdom | 34,231 | 32,805 | 34,790 |
| Poland | 29,688 | 31,925 | 29,246 |
| Algeria | 3,697 | 9,465 | 28,873 |
| All other destination markets | 347,671 | 351,033 | 321,722 |
| Total exports | 1,062,575 | 1,084,284 | 958,279 |
| | Value (1,000 dollars) | | |
| United States | 145,878 | 162,109 | 133,896 |
| France | 289,978 | 311,188 | 220,357 |
| Italy | 107,782 | 125,132 | 106,141 |
| Netherlands | 146,686 | 125,413 | 91,667 |
| Austria | 76,954 | 98,649 | 82,412 |
| Spain | 29,599 | 37,721 | 44,348 |
| United Kingdom | 47,874 | 54,243 | 73,473 |
| Poland | 50,648 | 58,990 | 52,628 |
| Algeria | 6,726 | 18,844 | 58,638 |
| All other destination markets | 716,503 | 738,969 | 642,920 |
| Total exports | 1,618,626 | 1,731,257 | 1,506,479 |

Table continued.

**Table VII-21--Continued**
**Seamless pipes and tubes: Germany exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 1,875 | 1,876 | 1,720 |
| France | 1,015 | 1,056 | 985 |
| Italy | 1,217 | 1,379 | 1,343 |
| Netherlands | 1,366 | 1,343 | 1,295 |
| Austria | 1,270 | 1,497 | 1,454 |
| Spain | 1,091 | 1,354 | 1,249 |
| United Kingdom | 1,399 | 1,653 | 2,112 |
| Poland | 1,706 | 1,848 | 1,799 |
| Algeria | 1,819 | 1,991 | 2,031 |
| All other destination markets | 2,061 | 2,105 | 1,998 |
| Total exports | 1,523 | 1,597 | 1,572 |
| | Share of quantity (percent) | | |
| United States | 7.3 | 8.0 | 8.1 |
| France | 26.9 | 27.2 | 23.4 |
| Italy | 8.3 | 8.4 | 8.2 |
| Netherlands | 10.1 | 8.6 | 7.4 |
| Austria | 5.7 | 6.1 | 5.9 |
| Spain | 2.6 | 2.6 | 3.7 |
| United Kingdom | 3.2 | 3.0 | 3.6 |
| Poland | 2.8 | 2.9 | 3.1 |
| Algeria | 0.3 | 0.9 | 3.0 |
| All other destination markets | 32.7 | 32.4 | 33.6 |
| 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.

Source: Official exports statistics under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 as reported by Eurostat in the Global Trade Atlas database, accessed August 4, 2020.

## The industry in Japan

Japan is a leading nonsubject source of U.S. imports of seamless pipes and tubes. Nippon Steel and Sumitomo Metal Corp. (NSSMC) is a Japanese producer of steel line pipe for energy exploration and transportation. NSSMC is considered on the of the world's top producers of line pipe, as well as out-of-scope OCTG products.[47]

The JFE Steel Group, one of Japan's largest steel producers, encompasses several companies that specialize in the manufacturing of steel pipe products used in a variety of end-use applications, including for the oil and gas industry.[48] JFE Steel has two vertically integrated steelworks, as well as a specialized pipe and tube production mill in central Japan (the Chita Works).[49]

Data on Japan's exports of seamless pipes and tubes are presented in table VII-22. According to GTA, the leading export markets seamless pipes and tubes from Japan are Korea, the United States, and Indonesia. During 2019, Korea accounted for 25.0 percent of Japan's total exports. The United States and Indonesia accounted for 14.7 percent and 11.1 percent of Japan's total exports, respectively.

[47] Nippon Steel, "Oil and Gas Drilling," https://www.nipponsteel.com/en/product/pipe/, retrieved August 5, 2020.

[48] JFE Steel, "JFE Steel Pipe," https://www.jfe-steel.co.jp/en/products/pipes/index.php, retrieved August 5, 2020.

[49] JFE Steel, "Manufacturing Process," https://www.jfe-steel.co.jp/en/products/pipes/seizoukoutei.php, retrieved August 5, 2020.

**Table VII-22**
**Seamless pipes and tubes: Japan exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 21,960 | 43,040 | 51,421 |
| Korea | 95,658 | 116,643 | 87,384 |
| Indonesia | 20,075 | 18,553 | 38,647 |
| China | 36,001 | 34,589 | 29,461 |
| Taiwan | 20,104 | 27,998 | 22,178 |
| Mexico | 797 | 5,883 | 19,677 |
| Vietnam | 15,938 | 17,700 | 17,623 |
| Thailand | 24,291 | 28,376 | 16,616 |
| Malaysia | 27,131 | 13,423 | 16,560 |
| All other destination markets | 89,881 | 103,391 | 50,079 |
| Total exports | 351,836 | 409,595 | 349,646 |
| | Value (1,000 dollars) | | |
| United States | 46,163 | 62,863 | 71,143 |
| Korea | 135,479 | 164,239 | 141,573 |
| Indonesia | 38,254 | 34,994 | 56,380 |
| China | 87,712 | 78,363 | 77,351 |
| Taiwan | 23,978 | 31,925 | 27,608 |
| Mexico | 2,038 | 7,223 | 20,951 |
| Vietnam | 9,471 | 14,096 | 18,839 |
| Thailand | 34,620 | 38,752 | 27,153 |
| Malaysia | 28,613 | 16,144 | 21,473 |
| All other destination markets | 135,729 | 138,179 | 89,858 |
| Total exports | 542,056 | 586,779 | 552,329 |

Table continued.

**Table VII-22--Continued**
**Seamless pipes and tubes: Japan exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 2,102 | 1,461 | 1,384 |
| Korea | 1,416 | 1,408 | 1,620 |
| Indonesia | 1,906 | 1,886 | 1,459 |
| China | 2,436 | 2,266 | 2,626 |
| Taiwan | 1,193 | 1,140 | 1,245 |
| Mexico | 2,556 | 1,228 | 1,065 |
| Vietnam | 594 | 796 | 1,069 |
| Thailand | 1,425 | 1,366 | 1,634 |
| Malaysia | 1,055 | 1,203 | 1,297 |
| All other destination markets | 1,510 | 1,336 | 1,794 |
| Total exports | 1,541 | 1,433 | 1,580 |
| | Share of quantity (percent) | | |
| United States | 6.2 | 10.5 | 14.7 |
| Korea | 27.2 | 28.5 | 25.0 |
| Indonesia | 5.7 | 4.5 | 11.1 |
| China | 10.2 | 8.4 | 8.4 |
| Taiwan | 5.7 | 6.8 | 6.3 |
| Mexico | 0.2 | 1.4 | 5.6 |
| Vietnam | 4.5 | 4.3 | 5.0 |
| Thailand | 6.9 | 6.9 | 4.8 |
| Malaysia | 7.7 | 3.3 | 4.7 |
| All other destination markets | 25.5 | 25.2 | 14.3 |
| 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.

Source: Official exports statistics under HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 as reported by Eurostat in the Global Trade Atlas database, accessed August 4, 2020.

## The industry in Mexico

Mexico is a leading nonsubject source of U.S. imports of seamless pipes and tubes. Tubos de Acero de Mexico SA (now Tenaris Tamsa) is a Mexican producer of seamless pipe and tube. In 2003, Tenaris SA acquired a majority stake in Tamsa.[50] In 2014, Tenaris Tamsa invested $350 million to build three new plants in Mexico to meet demand from energy projects.[51] The company has an annual production capacity of 1.23 million metric tons (1.4 million short tons) of seamless steel tubes and currently exports 80 percent of its production to more than 50 countries.[52]

Data on Mexico's exports of seamless pipes and tubes are presented in table VII-23. According to GTA, the leading export markets seamless pipes and tubes from Mexico are Colombia, the United States, and Canada. During 2019, Colombia accounted for 50.1 percent of Mexico's total exports. The United States and Canada accounted for 39.3 percent and 7.2 percent of Mexico's total exports, respectively.

[50] *Oil & Gas Journal*, "Tenaris Concludes Exchange Offer for Tamsa," September 18, 2003, https://www.ogj.com/general-interest/article/17256079/tenaris-concludes-exchange-offer-for-tamsa.

[51] *Fastmarkets MB*, "Tenaris Tamsa Invests $350 Million in Mexico," November 25, 2014, https://www.metalbulletin.com/Article/3403335/Tenaris-Tamsa-invests-350-million-in-new-facilities-in-Mexico.html.

[52] Tenaris Tamsa, "About," http://www.tenaristamsa.com/acerca-del-centro-industrial/, retrieved August 5, 2020.

**Table VII-23**
**Seamless pipes and tubes: Mexico exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Quantity (short tons) | | |
| United States | 70,615 | 86,235 | 60,064 |
| Colombia | 82,884 | 99,242 | 76,559 |
| Canada | 18,678 | 27,573 | 11,041 |
| Argentina | 1,367 | 1,457 | 2,307 |
| Ecuador | 171 | 885 | 696 |
| Pakistan | --- | --- | 640 |
| China | 20 | 52 | 367 |
| Guatemala | 96 | 57 | 352 |
| Peru | 7 | 37 | 327 |
| All other destination markets | 2,095 | 1,323 | 603 |
| All destination markets | 175,933 | 216,861 | 152,955 |
| | Value (1,000 dollars) | | |
| United States | 89,825 | 123,175 | 107,803 |
| Colombia | 57,708 | 81,044 | 70,975 |
| Canada | 27,518 | 41,742 | 19,523 |
| Argentina | 1,805 | 2,563 | 4,549 |
| Ecuador | 214 | 1,269 | 1,064 |
| Pakistan | --- | --- | 1,126 |
| China | 19 | 112 | 645 |
| Guatemala | 257 | 194 | 776 |
| Peru | 32 | 116 | 1,342 |
| All other destination markets | 6,852 | 3,956 | 4,273 |
| All destination markets | 184,230 | 254,171 | 212,075 |

Table continued.

**Table VII-23--Continued**
**Seamless pipes and tubes: Mexico exports by destination market, 2017-19**

| Destination market | Calendar year | | |
|---|---|---|---|
| | 2017 | 2018 | 2019 |
| | Unit value (dollars per short ton) | | |
| United States | 1,272 | 1,428 | 1,795 |
| Colombia | 696 | 817 | 927 |
| Canada | 1,473 | 1,514 | 1,768 |
| Argentina | 1,321 | 1,759 | 1,972 |
| Ecuador | 1,251 | 1,434 | 1,529 |
| Pakistan | --- | --- | 1,761 |
| China | 923 | 2,173 | 1,758 |
| Guatemala | 2,669 | 3,390 | 2,208 |
| Peru | 4,490 | 3,139 | 4,104 |
| All other destination markets | 3,271 | 2,991 | 7,087 |
| All destination markets | 1,047 | 1,172 | 1,387 |
| | Share of quantity (percent) | | |
| United States | 40.1 | 39.8 | 39.3 |
| Colombia | 47.1 | 45.8 | 50.1 |
| Canada | 10.6 | 12.7 | 7.2 |
| Argentina | 0.8 | 0.7 | 1.5 |
| Ecuador | 0.1 | 0.4 | 0.5 |
| Pakistan | --- | --- | 0.4 |
| China | 0.0 | 0.0 | 0.2 |
| Guatemala | 0.1 | 0.0 | 0.2 |
| Peru | 0.0 | 0.0 | 0.2 |
| All other destination markets | 1.2 | 0.6 | 0.4 |
| All destination markets | 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. Reported exports quantity to Pakistan was adjusted due to a reporting error. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Source: Official imports statistics of imports from Mexico (constructed export statistics for Mexico) under HS subheading 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 reported by various national statistical authorities in the Global Trade Atlas database, accessed August 11, 2020.

# 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 |
|---|---|---|
| 85 FR 42431, July 14, 2020 | *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe (''SSLP Pipe'') from Czechia, Korea, Russia, and Ukraine; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations* | https://www.govinfo.gov/content/pkg/FR-2020-07-14/pdf/2020-15167.pdf |
| 85 FR 47176, August 4, 2020 | *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the Czech Republic, the Republic of Korea, the Russian Federation, and Ukraine: Initiation of Less-Than-Fair-Value Investigations* | https://www.govinfo.gov/content/pkg/FR-2020-08-04/pdf/2020-16911.pdf |
| 85 FR 47170, August 4, 2020 | *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the Republic of Korea and the Russian Federation: Initiation of Countervailing Duty Investigations* | https://www.govinfo.gov/content/pkg/FR-2020-08-04/pdf/2020-16918.pdf |

# APPENDIX B

# LIST OF STAFF CONFERENCE

**CALENDAR OF PUBLIC PRELIMINARY CONFERENCE**

Those listed below participated in the United States International Trade Commission's preliminary conference via video conference:

**Subject:** Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe ("SSLP Pipe") from Czechia, Korea, Russia, and Ukraine

**Inv. Nos.:** 701-TA-654-655 and 731-TA-1529-1532 (Preliminary)

**Date and Time:** July 29, 2020 - 9:30 a.m.

**OPENING REMARKS:**

In Support of Imposition (**Elizabeth J. Drake**, Schagrin Associates)
In Opposition to Imposition (**H. Deen Kaplan**, Hogan Lovells US LLP)

**In Support of the Imposition of Antidumping and Countervailing Duty Orders:**

Schagrin Associates
Washington, DC
on behalf of

Vallourec Star, LP

**Douglas Polk**, Vice President Industry Affairs, Vallourec Star, LP

**Hector Arevalo**, Director of Sales, Energy Industry and OGM North America, Vallourec Star, LP

**Roger B. Schagrin** )
) – OF COUNSEL
**Elizabeth J. Drake** )

**In Opposition to the Imposition of**
**Antidumping and Countervailing Duty Orders:**

Hogan Lovells US LLP
Washington, DC
on behalf of

Interpipe
North American Interpipe, Inc.

**Daniel Valk**, President, North American Interpipe, Inc.

**H. Deen Kaplan** )
**Jared R. Wessel** )
) – OF COUNSEL
**Michael G. Jacobson** )
**Molly B. Newell** )

**REBUTTAL/CLOSING REMARKS:**

In Support of Imposition (**Roger B. Schagrin**, Schagrin Associates)
In Opposition to Imposition (**H. Deen Kaplan** and
**Jared R. Wessel**, Hogan Lovells US LLP)

**-END-**

# APPENDIX C

# SUMMARY DATA

**Table C-1**
**SSLP pipe: Summary data concerning the U.S. market, 2017-19, January to March 2019, and January to March 2020**
(Quantity=short tons; Value=1,000 dollars; Productivity=Short tons per 1,000 hours; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

| | Reported data | | | | | Period changes | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Comparison years | | | January to March | | Calendar year | | | Jan-Mar |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2017-19 | 2017-18 | 2018-19 | 2019-20 |
| U.S. consumption quantity: | | | | | | | | | |
| Amount | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Producers' share (fn1) | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Importers' share (fn1): | | | | | | | | | |
| Czechia | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| Korea | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| Russia | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▲*** |
| Ukraine | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Subject sources | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▲*** |
| Nonsubject sources | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| All import sources | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| U.S. consumption value: | | | | | | | | | |
| Amount | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Producers' share (fn1) | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Importers' share (fn1): | | | | | | | | | |
| Czechia | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Korea | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▲*** |
| Russia | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▲*** |
| Ukraine | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Subject sources | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| Nonsubject sources | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▼*** |
| All import sources | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| U.S. imports from: | | | | | | | | | |
| Czechia: | | | | | | | | | |
| Quantity | 39,465 | 42,867 | 39,243 | 14,733 | 6,675 | ▼(0.6) | ▲8.6 | ▼(8.5) | ▼(54.7) |
| Value | 32,721 | 50,401 | 48,637 | 19,382 | 7,092 | ▲48.6 | ▲54.0 | ▼(3.5) | ▼(63.4) |
| Unit value | $829 | $1,176 | $1,239 | $1,316 | $1,062 | ▲49.5 | ▲41.8 | ▲5.4 | ▼(19.2) |
| Ending inventory quantity | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | *** |
| Korea: | | | | | | | | | |
| Quantity | 18,407 | 17,460 | 18,863 | 2,562 | 9,079 | ▲2.5 | ▼(5.1) | ▲8.0 | ▲254.3 |
| Value | 24,575 | 22,061 | 25,480 | 4,005 | 12,404 | ▲3.7 | ▼(10.2) | ▲15.5 | ▲209.7 |
| Unit value | $1,335 | $1,264 | $1,351 | $1,563 | $1,366 | ▲1.2 | ▼(5.4) | ▲6.9 | ▼(12.6) |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Russia (fn2): | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▼*** |
| Value | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▼*** | ▼*** |
| Unit value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▲*** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ukraine: | | | | | | | | | |
| Quantity | 35,375 | 42,962 | 48,134 | 11,482 | 5,491 | ▲36.1 | ▲21.4 | ▲12.0 | ▼(52.2) |
| Value | 24,654 | 45,613 | 50,690 | 13,920 | 5,107 | ▲105.6 | ▲85.0 | ▲11.1 | ▼(63.3) |
| Unit value | $697 | $1,062 | $1,053 | $1,212 | $930 | ▲51.1 | ▲52.3 | ▼(0.8) | ▼(23.3) |
| Ending inventory quantity | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| Subject sources | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▼*** |
| Value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Unit value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Ending inventory quantity | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| Nonsubject sources: | | | | | | | | | |
| Quantity | 485,153 | 550,241 | 441,823 | 139,843 | 81,080 | ▼(8.9) | ▲13.4 | ▼(19.7) | ▼(42.0) |
| Value | 649,360 | 895,434 | 763,041 | 237,367 | 135,008 | ▲17.5 | ▲37.9 | ▼(14.8) | ▼(43.1) |
| Unit value | $1,338 | $1,627 | $1,727 | $1,697 | $1,665 | ▲29.0 | ▲21.6 | ▲6.1 | ▼(1.9) |
| Ending inventory quantity | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| All import sources: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Unit value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Ending inventory quantity | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |

Table continued.

**Table C-1--Continued**
**SSLP pipe: Summary data concerning the U.S. market, 2017-19, January to March 2019, and January to March 2020**
(Quantity=short tons; Value=1,000 dollars; Productivity=Short tons per 1,000 hours; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period

| | Reported data | | | | | Period changes | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Comparison years | | | January to March | | Calendar year | | | Jan-Mar |
| | 2017 | 2018 | 2019 | 2019 | 2020 | 2017-19 | 2017-18 | 2018-19 | 2019-20 |
| U.S. producers': | | | | | | | | | |
| Average capacity quantity | 776,495 | 808,601 | 812,517 | 213,056 | 210,677 | ▲4.6 | ▲4.1 | ▲0.5 | ▼(1.1) |
| Production quantity | 350,099 | 450,676 | 261,518 | 87,320 | 48,263 | ▼(25.3) | ▲28.7 | ▼(42.0) | ▼(44.7) |
| Capacity utilization (fn1) | 45.1 | 55.7 | 32.2 | 41.0 | 22.9 | ▼(12.9) | ▲10.6 | ▼(23.5) | ▼(18.1) |
| U.S. shipments: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Value | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Unit value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Export shipments: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| Value | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▲*** |
| Unit value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▼*** |
| Ending inventory quantity | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▼*** |
| Inventories/total shipments (fn1) | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| Production workers | 1,037 | 1,212 | 1,059 | 1,193 | 966 | ▲2.1 | ▲16.9 | ▼(12.6) | ▼(19.0) |
| Hours worked (1,000s) | 2,051 | 2,489 | 2,109 | 674 | 547 | ▲2.8 | ▲21.4 | ▼(15.3) | ▼(18.8) |
| Wages paid ($1,000) | 76,045 | 102,856 | 84,215 | 23,443 | 18,818 | ▲10.7 | ▲35.3 | ▼(18.1) | ▼(19.7) |
| Hourly wages (dollars per hour) | $37.08 | $41.32 | $39.93 | $34.78 | $34.40 | ▲7.7 | ▲11.5 | ▼(3.4) | ▼(1.1) |
| Productivity | 170.7 | 181.1 | 124.0 | 129.6 | 88.2 | ▼(27.4) | ▲6.1 | ▼(31.5) | ▼(31.9) |
| Unit labor costs | $217 | $228 | $322 | $268 | $390 | ▲48.3 | ▲5.1 | ▲41.1 | ▲45.2 |
| Net sales (fn4): | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Value | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Unit value | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Cost of goods sold (COGS) | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Gross profit or (loss) (fn3) | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| SG&A expenses | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Operating income or (loss) (fn3) | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Net income or (loss) (fn3) | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Capital expenditures | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▲*** |
| R&D expenses | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | ▼*** |
| Net assets | *** | *** | *** | *** | *** | ▼*** | ▲*** | ▼*** | *** |
| Unit COGS | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▲*** | ▲*** |
| Unit SG&A expenses | *** | *** | *** | *** | *** | ▲*** | ▼*** | ▲*** | ▲*** |
| Unit operating income or (loss) (fn3) | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Unit net income or (loss) (fn3) | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| COGS/sales (fn1) | *** | *** | *** | *** | *** | ▼*** | ▼*** | ▲*** | ▲*** |
| Operating income or (loss)/sales (fn1) | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |
| Net income or (loss)/sales (fn1) | *** | *** | *** | *** | *** | ▲*** | ▲*** | ▼*** | ▼*** |

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).

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Official U.S. import statistics for Russia were adjusted to remove *** out of scope imports as reported in questionnaire responses.
fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both
fn4.--Financial results do not include data for one U.S. producer ***.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers

# APPENDIX D

# SECTION 232 MEASURES

**Appendix table D-1**
**Section 232 actions: Presidential proclamations affecting imports of steel articles, since 2018**

| Item | Action and duration (effective dates) | Federal Register Notice |
|---|---|---|
| General action | The President implemented 25 percent ad valorem national-security duties on U.S. steel imports—<br>March 23, 2018 to present. | 83 FR 11625[1] |
| Argentina | Exempted from duties—<br>March 23, 2018 to April 30, 2018. | 83 FR 13361[2] |
| | Exemption from duties continued—<br>May 1, 2018 to May 31, 2018. | 83 FR 20683[3] |
| | Exemption from duties continued, but subject to annual quota limits—<br>June 1, 2018 to present. | 83 FR 25857[4] |
| Australia | Exempted from duties—<br>March 23, 2018 to April 30, 2018. | 83 FR 13361[2] |
| | Exemption from duties continued—<br>May 1, 2018 to May 31, 2018. | 83 FR 20683[3] |
| | Exemption from duties continued—<br>June 1, 2018 to present. | 83 FR 40429[5] |
| Brazil | Exempted from duties—<br>March 23, 2018 to April 30, 2018 | 83 FR 13361[2] |
| | Exemption from duties continued—<br>May 1, 2018 to May 31, 2018 | 83 FR 20683[3] |
| | Exemption from duties continued, but subject to annual quota limits—<br>June 1, 2018 to present. | 83 FR 25857[4] |
| Canada | Exempted from duties—<br>March 23, 2018 to May 31, 2018. | 83 FR 11625[1] |
| | Exemption from duties not continued—<br>June 1, 2018 to May 19, 2019. | 83 FR 20683[3] |
| | Exemption from duties reinstated—<br>May 20, 2019 to present. | 84 FR 23987[6] |
| European Union ("EU") member countries | Exempted from duties—<br>March 23, 2018 to April 30, 2018. | 83 FR 13361[2] |
| | Exemption from duties continued—<br>May 1, 2018 to May 31, 2018. | 83 FR 20683[3] |
| | Exemption from duties not continued—<br>June 1, 2018 to present. | 83 FR 20683[3] |
| Korea | Exempted from duties—<br>March 23, 2018 to April 30, 2018. | 83 FR 13361[2] |
| | Exemption from duties continued, but subject to annual quota limits—<br>May 1, 2018 to present. | 83 FR 20683[3] |
| Mexico | Exempted from duties—<br>March 23, 2018 to May 31, 2018. | 83 FR 11625[1] |
| | Exemption from duties not continued—<br>June 1, 2018 to May 19, 2019. | 83 FR 20683[3] |
| | Exemption from duties reinstated—<br>May 20, 2019 to present. | 84 FR 23987[6] |
| Turkey | Duty rate doubled to 50 percent ad valorem—<br>August 13, 2018 to May 20, 2019. | 83 FR 40429[5] |
| | Duty rate reduced from 50 percent to 25 percent ad valorem—<br>May 21, 2019 to present. | 84 FR 23421[7] |

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

[2] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018.
[3] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018.
[4] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018.
[5] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9772, August 10, 2018, 83 FR 40429, August 15, 2018.
[6] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9894, May 19, 2019, 84 FR 23987, May 23, 2019.
[7] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9886, May 16, 2019, 84 FR 23421, May 21, 2019.

Note.--Presidential Proclamation 9705 (clause (1)) defined ”steel articles” at the Harmonized Tariff Schedule of the United States (“HTS”) 6-digit level as: 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.10 through 7306.90, including any subsequent revisions to these HTS classifications.