Certain Welded Line Pipe from Korea and Turkey

Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Review)

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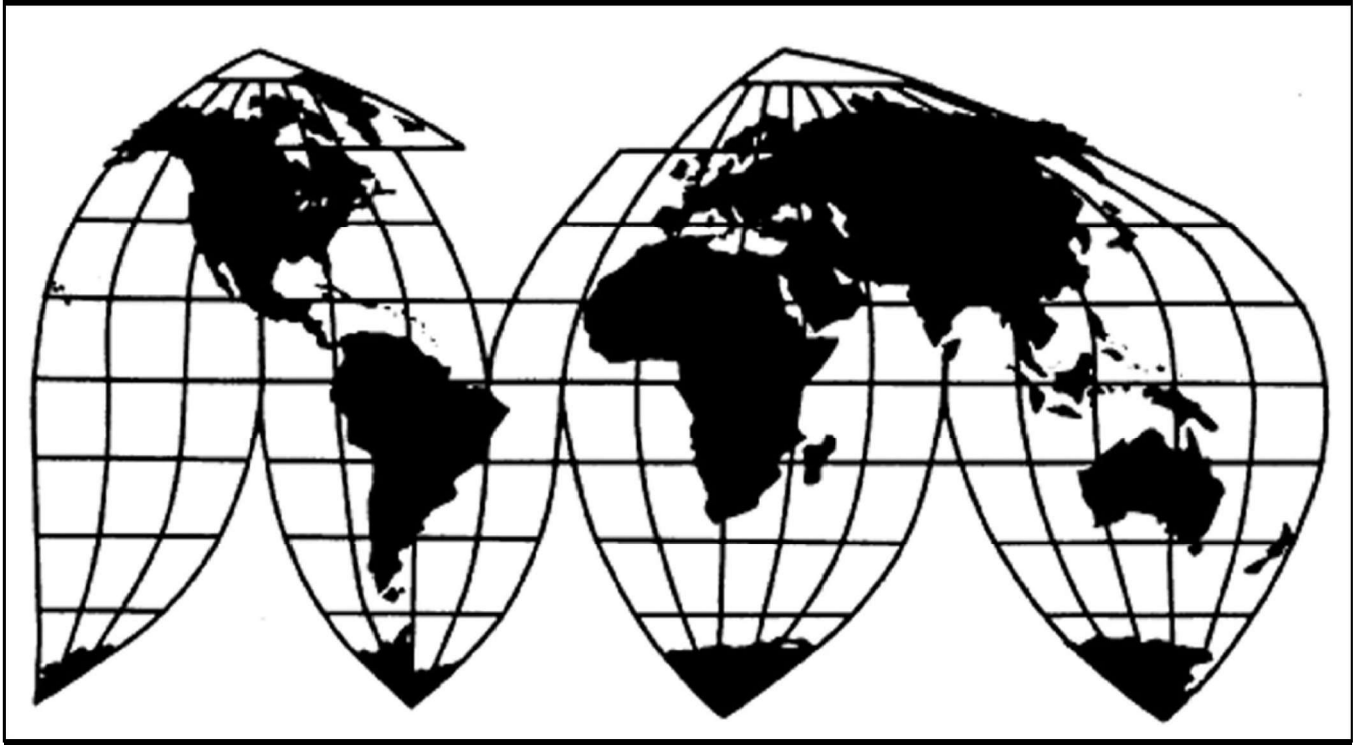
U.S. International Trade Commission



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United States International Trade Commission
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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Review)

Certain Welded Line Pipe from Korea and Turkey

DETERMINATIONS

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

BACKGROUND

The Commission instituted these reviews on November 2, 2020 (85 FR 69354) and determined on February 5, 2021 that it would conduct expedited reviews (86 FR 24889, May 10, 2021).

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

Views of the Commission

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

I. Background

Original Investigations. On October 16, 2014, American Cast Iron Pipe Company ("ACIPCO"), EnergeX, a division of JMC Steel Group, Maverick Tube Corp. ("Maverick"), Northwest Pipe Co., Stupp Corp., a division of Stupp Bros., Inc. ("Stupp"), Tex-Tube Co. ("Tex-Tube"), TMK IPSCO, and Welspun Tubular LLC (collectively, "Petitioners") filed antidumping and countervailing duty petitions concerning imports of welded line pipe from Korea and Turkey.[1] In November 2015, the Commission determined that an industry in the United States was materially injured by reason of dumped subject imports from Korea and Turkey and subsidized subject imports from Turkey.[2] On December 1, 2015, the U.S. Department of Commerce ("Commerce") issued antidumping and countervailing duty orders ("the orders").[3]

[1] *Certain Welded Line Pipe from Korea and Turkey,* Inv. Nos. 701-TA-525 and 731-TA-1260-1261 (Final), USITC Pub. 4580 at 3 (Nov. 2015) ("*Original Determinations*"). The petitions sought imposition of both antidumping and countervailing duties on imports of welded line pipe from Korea and Turkey. The Commission terminated its countervailing duty investigation on welded line pipe from Korea following the U.S. Department of Commerce's negative final determination in that investigation. *Certain Welded Line Pipe From Korea; Termination of Investigation,* 80 Fed. Reg. 63833 (Oct. 21, 2015).

[2] *Original Determinations*, USITC Pub. 4580 at 1.

[3] *Welded Line Pipe From the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 Fed. Reg. 75056 (Dec. 1, 2015); *Welded Line Pipe From the Republic of Turkey: Countervailing Duty Order*, 80 Fed. Reg. 75054 (Dec. 1, 2015).

Current Reviews. The Commission instituted these reviews on November 2, 2020.[4] It received a joint submission in response to the notice of institution, filed on behalf of ACIPCO, Axis Pipe and Tube, California Steel Industries, IPSCO Tubulars Inc., Maverick, Stupp, Tex-Tube, Welspun Tubular LLC, and Wheatland Tube Co., domestic producers of welded line pipe (collectively, "Domestic Producers").[5] No other parties participated in these reviews.[6] The Commission determined that the domestic interested party group response was adequate for all reviews and that the respondent interested party group response was inadequate for all reviews. It determined to expedite these reviews on February 5, 2021.[7] Domestic Producers subsequently filed final comments.[8]

U.S. industry data are based on information Domestic Producers submitted in their response to the notice of institution. Domestic Producers estimate that they accounted for *** percent of domestic production of welded line pipe in 2019.[9] U.S. import data and related information are based on official Commerce import statistics.[10] Foreign industry data and related information are based on information submitted by Domestic Producers, data from the original investigations, and publicly available information gathered by Commission staff.[11]

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[4] *Certain Welded Line Pipe from Korea and Turkey; Institution of Five-Year Reviews, 85 Fed. Reg. 69354* (Nov. 2, 2020).

[5] Domestic Producers' Response to the Notice of Institution, EDIS Doc. 726969 (Dec. 2, 2020) ("Response"). Domestic Producers also filed adequacy comments. Comments on Adequacy, EDIS Doc. 730532 (Jan. 14, 2021).

[6] Confidential Report ("CR") and Public Report ("PR") at I-2.

[7] *Certain Welded Line Pipe From Korea and Turkey; Scheduling of Expedited Five-Year Reviews*, 86 Fed. Reg. 24889, 24890 (May 10, 2021).

[8] Domestic Producers' Comments, EDIS Doc. 742820 (May 18, 2021) ("Final Comments").

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

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

[11] *See generally* CR/PR at I-33-38. No U.S. purchasers of welded line pipe responded to the Commission's adequacy phase questionnaire. CR/PR at D-3.

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[12] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[13] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[14]

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

> *…{C}ircular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute ("API") specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of these orders.*[15]

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[12] 19 U.S.C. § 1677(4)(A).

[13] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep't of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

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

[15] *Welded Line Pipe From the Republic of Korea and the Republic of Turkey: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 86 Fed. Reg. 12172, 12173 (Mar. 2, 2021) ("Commerce Sunset AD Determinations"); *Welded Line Pipe From the Republic of Turkey: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order,* 86 Fed. Reg. 13526, 13527 (Mar. 9, 2021).

The scope definition set out above is unchanged since the original investigations.[16]

The subject merchandise is welded circular line pipe with an outside diameter no more than 24 inches (609.6 mm), regardless of wall thickness, length, surface finish, or end finish. Welded line pipe can be produced from certain carbon or alloy steel. Welded line pipe is typically produced domestically in lengths of 40 feet or greater with a bare finish or a lacquered finish. End finishes typically include square cut or beveled for welding in the field.[17] Welded line pipe is normally produced in conformance with the API 5L specification of the American Petroleum Institute ("API"), which provides standards for pipe suitable for use in conveying gas, water, and oil in both the oil and gas industries.[18]

The most common application for welded line pipe is gathering, transmission, and distribution of oil and gas, generally in a pipeline or utility distribution system. It can be produced to specification with plain, threaded, beveled, grooved, flanged, or expanded ends, depending on the end-use requirements.[19]

In the original investigations, the Commission found in its preliminary determinations that although the record showed some distinction between welded line pipe of outside diameter of less than 16 inches and larger diameter welded line pipe, all products encompassed by the scope definition shared the same basic physical characteristics, channels of distribution, and production processes, and determined the similarities between these products outweighed the differences. It consequently defined a single domestic like product consisting of all welded line pipe coextensive with Commerce's scope.[20] The record in the final phase did not contain any new information concerning the domestic like product and no party argued that the Commission should adopt a definition different from that in the preliminary phase. Therefore, for the reasons set forth in its preliminary determinations, the Commission defined a single domestic like product consisting of welded line pipe, coextensive with the scope of the investigations.[21]

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[16] *See Original Determinations*, USITC Pub. 4580 at 5.

[17] CR/PR at I-12.

[18] *See* CR/PR at I-9, I-14, I-17.

[19] CR/PR at I-11.

[20] *Certain Welded Line Pipe from Korea and Turkey*, Inv. Nos. 701-TA-524-525 and 731-TA-1260-1261 (Preliminary), USITC Pub. 4505 (Dec. 2014) at 12-13.

[21] *Original Determinations,* USITC Pub. 4580 at 6-7.

In these reviews, the record contains no new information suggesting that the characteristics and uses of domestically produced welded line pipe have changed since the original investigations.[22] Domestic Producers agree with the definition of the domestic like product adopted by the Commission in its original determinations.[23] We therefore define a single domestic like product of welded line pipe that is coextensive with the scope definition.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[24] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission considered whether appropriate circumstances existed to exclude Tex-Tube from the domestic industry under the related parties provision because it shared common ownership with ***, an importer of subject merchandise, but determined that circumstances did not warrant exclusion.[25] Accordingly, the Commission defined the domestic industry to include all U.S. producers of welded line pipe.[26]

In these reviews, Domestic Producers do not contest the Commission's definition of the domestic industry from the original investigations.[27] The record indicates that there are no issues arising under the related party provision or other domestic industry issues in these reviews.[28] Therefore, we define the domestic industry to include all U.S. producers of welded line pipe.

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[22] *See generally* CR/PR at I-9-23.

[23] Response at 28-29.

[24] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[25] *Original Determinations,* USITC Pub. 4580 at 7-8; Confidential Original Determinations, EDIS Doc. 729349 at 10-11.

[26] *Original Determinations,* USITC Pub. 4580 at 7-8; Confidential Original Determinations, EDIS Doc. 729349 at 9-11.

[27] *See* Response at 28-29.

[28] Domestic Producers assert that they do not import subject merchandise and are not related to importers or producers of subject merchandise. Response at 24. In particular, they indicate that although ***. CR/PR at I-27.

III. Cumulation

A. Legal Standard

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

> *the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.*[29]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[30] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future. The statutory threshold for cumulation is satisfied in these reviews because each review was initiated effective the same day: November 1, 2020.[31]

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[29] 19 U.S.C. § 1675a(a)(7).

[30] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

[31] *See Initiation of Five-Year (Sunset) Reviews*, 85 Fed. Reg. 69585 (Nov. 3, 2020).

B. The Original Investigations and Arguments of Domestic Producers

In the original investigations, the Commission found there was a reasonable overlap of competition between the domestic like product and subject imports from Korea and Turkey and between subject imports from both countries.[32] The Commission therefore determined to cumulate subject imports from Korea and Turkey for its analysis of material injury by reason of subject imports.[33]

In these reviews, Domestic Producers argue that revocation of the orders under review for each subject country would likely have a discernible adverse impact on the domestic industry.[34] Additionally, they claim that a reasonable overlap of competition among subject imports and the domestic like product is likely if the orders are revoked because the pertinent facts have not changed since the original investigations. They highlight that in the original investigations, the Commission found that subject imports from Korea and Turkey were fungible, shared the same channels of distribution, were sold in the same geographic markets, and were concentrated in the same geographic regions of the United States.[35] Domestic Producers assert that the record in these reviews indicates an overlap in the time periods and geographic regions in which subject imports from both countries entered the U.S. market.[36] Accordingly, they argue that the Commission should exercise its discretion to cumulate subject imports from Korea and Turkey.[37]

C. Analysis

1. Likely Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[38] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic

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[32] *See Original Determinations,* USITC Pub. 4580 at 9-12.
[33] *Original Determinations,* USITC Pub. 4580 at 13.
[34] Response at 11.
[35] Response at 11-12.
[36] Final Comments at 2.
[37] Response at 11.
[38] 19 U.S.C. § 1675a(a)(7).

industry.[39] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we find that imports from each subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation of the corresponding order.

Korea. In the original investigations, the quantity of subject imports from Korea decreased from 748,536 short tons in 2012 to 722,802 short tons in 2013, and then increased to 773,432 short tons in 2014; they totaled 355,827 short tons in January-June 2014 ("interim 2014") and 502,414 short tons in January-June 2015 ("interim 2015").[40] Subject imports from Korea accounted for 22.8 percent of apparent U.S. consumption in 2012, 28.6 percent in 2013, and 30.6 percent in 2014; their share was 29.7 percent in interim 2014 and 42.3 percent in interim 2015.[41] The Commission's pricing data showed that subject imports from Korea undersold the domestic like product in all 55 quarterly comparisons at an average margin of 23.1 percent.[42]

During the original investigations, six producers or exporters of subject merchandise in Korea, whose reported exports to the United States accounted for *** percent of recorded imports of subject merchandise from Korea in 2014, responded to the Commission's foreign producers questionnaire.[43] In 2014, producers in Korea reported welded line pipe production capacity of *** short tons and a capacity utilization rate of *** percent. They reported exporting 92.7 percent of their total shipments, and exports to the United States comprised *** percent of their total shipments.[44]

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

[40] *Original Determinations*, USITC Pub. 4580 at Table IV-7.

[41] *Original Determinations*, USITC Pub. 4580 at Table IV-8.

[42] *Original Determinations*, USITC Pub. 4580 at Table V-7.

[43] CR/PR at I-33. The coverage estimate was based on comparing those responding firms' exports to official Commerce import statistics. *Id.*

[44] *Original Determinations,* USITC Pub. 4580 at Table VII-4; *Original Investigations Confidential Report*, INV-NN-077, EDIS Doc. 729346 (Oct. 26, 2015) ("Original CR") at Table VII-4.

In the current reviews, subject imports from Korea maintained a substantial presence in the U.S. market throughout the 2015 to 2019 period of review ("POR"). They ranged from a high of 695,313 short tons in 2015 to a low of 336,006 short tons in 2019.[45] In 2019, subject imports from Korea accounted for 16.1 percent of apparent U.S. consumption by quantity.[46]

Although there are limited data available concerning the industry in Korea because no subject Korean producer or exporter responded to the Commission's notice of institution, Domestic Producers identified 37 producers that they believe may currently produce welded line pipe in Korea.[47] They assert that Korean producers maintain extensive production capacity, which has increased since the original investigations, and that Korean producers are export oriented. For support, they highlight the capacity of several producers in Korea and identify Korean producer EEW Korea Co., Ltd. as having substantially expanded its tubular production capacity with the opening of a second tubular plant in 2015.[48] Global Trade Atlas ("GTA") data show that by quantity, Korea was the world's second largest exporter of line pipe each year from 2015 to 2017, fourth largest exporter of line pipe in 2018, and fifth largest exporter of line pipe in 2019 by quantity.[49] The United States was the leading destination for exports of such merchandise from Korea each year during the POR.[50] Certain welded line pipe from Korea is also subject to an antidumping duty order issued by Canada in January 2018.[51]

Based on the foregoing, including the continued presence of subject imports from Korea in the U.S. market during the POR despite the discipline of the antidumping duty order, and the substantial capacity and export orientation of the subject industry, we find that subject imports from Korea would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order concerning these imports were revoked.

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[45] CR/PR at Table I-9.

[46] CR/PR at Table I-10. The record in these expedited reviews contains no pricing data.

[47] CR/PR at I-33.

[48] Response at 14-16.

[49] CR/PR at Table I-15. These data concern HTS subheadings 7305.11, 7305.12, 7305.19, and 7306.19, which include both subject and out-of-scope merchandise. GTA export data for 2018 and 2019 are to some extent distorted by the reporting of line pipe used in North Sea projects as exports by Finland or Sweden, which do not produce line pipe. *See* CR/PR at Table I-15 note. Because of this, the actual ordinal ranking of Korea and Turkey among world line pipe exporters during 2018 and 2019 is likely higher than that reflected in GTA data.

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

[51] CR/PR at I-37.

Turkey. In the original investigations, the quantity of subject imports from Turkey decreased from 66,472 short tons in 2012 to 66,025 short tons in 2013, and then increased to 78,565 short tons in 2014; they totaled 29,848 short tons in interim 2014 and 27,944 short tons in interim 2015.[52] Subject imports from Turkey accounted for 2.0 percent of apparent U.S. consumption in 2012, 2.6 percent in 2013, and 3.1 percent in 2014; their share was 2.5 percent in interim 2014 and 2.4 percent in interim 2015.[53] The Commission's pricing data showed that subject imports from Turkey undersold the domestic like product in eight of ten (or 80 percent of) quarterly comparisons; the average underselling margin was 16.4 percent.[54]

During the original investigations, four firms, whose exports accounted for *** percent of recorded U.S. imports from Turkey in 2014, responded to the Commission's foreign producers' questionnaire.[55] Responding Turkish producers reported welded line pipe production capacity of 583,526 short tons and a capacity utilization rate of 34.9 percent in 2014. They reported exporting 54.8 percent of their total shipments with *** percent of their total shipments exported to the United States that year.[56]

In the current reviews, the quantity of subject imports from Turkey decreased irregularly during the period of review, declining from 29,513 short tons in 2015 to 28 short tons in 2019.[57] They accounted for less than 0.05 percent of apparent U.S. consumption in 2019.[58]

Although there are limited data available concerning the industry in Turkey because no subject producer in Turkey responded to the Commission's notice of institution, Domestic Producers identified 19 possible producers of welded line pipe in Turkey.[59] They assert that Turkish producers have maintained substantial production capacity that has increased since the original investigations. Domestic Producers highlight plant openings by Cimtas Pipe in 2017 and Tosçelik Profil ve Sac Endüstrisi A.Ş. in 2016.[60] According to GTA data, Turkey was the world's

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[52] *Original Determinations*, USITC Pub. 4580 at Table IV-7.

[53] *Original Determinations*, USITC Pub. 4580 at Table IV-8.

[54] *Original Determinations*, USITC Pub. 4580 at Table V-7. The record of these expedited reviews contains no pricing data.

[55] CR/PR at I-35.

[56] *Original Determinations*, USITC Pub. 4580 at Table VII-9; Original CR at Table VII-9.

[57] CR/PR at Table I-9.

[58] CR/PR at Table I-10. The record of these expedited reviews contains no pricing data.

[59] CR/PR at I-35.

[60] Response at 17.

sixth largest exporter of line pipe in 2015 and the ninth largest exporter of line pipe in 2019.[61] Although the United States was the top export destination for line pipe from Turkey in 2014, it was not among its top ten export destinations in 2019.[62]

While subject import volumes from Turkey have declined since the imposition of the antidumping and countervailing duty orders, the subject industry nonetheless retains significant production capacity and an export orientation. Given this and the increasing import volumes and market penetration during the original POI, and the continuing presence of Turkish imports in the U.S. market despite the discipline of the orders, we find that subject imports from Turkey would not likely have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders concerning these imports were revoked.

2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[63] Only a "reasonable overlap" of competition is required.[64] In five-year reviews, the

[61] CR/PR at Table I-15. Limitations of GTA export data were discussed above.

[62] *Original Determinations*, USITC Pub. 4580 at Table VII-10; CR/PR at Table I-14.

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

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

relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[65]

Fungibility. In the original investigations, the Commission found a substantial degree of competition between and among subject imports from Korea and Turkey and the domestic like product.[66] The majority of responding U.S. producers, importers, and purchasers reported that welded line pipe from Korea and Turkey and the United States was "always" or "frequently" used interchangeably.[67] Majorities of purchasers found the domestic like product, subject imports from Korea, and subject imports from Turkey comparable with respect to most purchasing factors.[68] There was also an overlap in product range as the majority of shipments of the domestic like product and imports from both subject sources were of outside diameters less than 16 inches.[69] The Commission found that although subject imports from Turkey could not compete for some accounts due to purchasers' use of Approved Manufacturers Lists ("AMLs"), this did not detract from other considerations supporting a finding of fungibility.[70]

In these reviews, there is no new information in the record to indicate that the considerations the Commission found in the original investigations supported a finding of fungibility have changed.[71]

Channels of Distribution. In the original investigations, the Commission found that most subject imports from Korea and *** subject imports from Turkey were sold to distributors, as were the majority of U.S. producers' shipments.[72] There is no new information in the record of these reviews to indicate that the channels of distribution have changed or are likely to do so upon revocation of the orders.

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

[66] *Original Determinations,* USITC Pub. 4580 at 10-12.

[67] *Original Determinations,* USITC Pub. 4580 at 10.

[68] *Original Determinations,* USITC Pub. 4580 at 11.

[69] *Original Determinations,* USITC Pub. 4580 at 11-12.

[70] *Original Determinations,* USITC Pub. 4580 at 11-12.

[71] Domestic Producers indicate that the factors serving as the basis for the Commission's finding of fungibility in the original investigations have not changed. *See* Response at 11-12.

[72] *Original Determinations,* USITC Pub. 4580 at 12; Confidential Original Determinations, EDIS Doc. 729349 at 16.

Geographic Overlap. In the original investigations, the record indicated that the majority of subject imports from both Korea and Turkey were concentrated in the Central Southwest, while the Pacific Coast and Southeast regions received the second greatest coverage by subject imports. All responding U.S. producers reported making sales in the Central Southwest; 12 of 13 reported making sales in the Southeast; and 10 of 13 reported making sales in the Pacific Coast. Consequently, the Commission found a geographic overlap between and among subject imports from Korea and Turkey and the domestic like product.[73]

In the current reviews, imports from Korea entered through the northern, southern, eastern, and western borders of entry in all years from 2015 through 2019, with 88.5 percent entering through southern borders in 2019. Imports from Turkey entered only through eastern and southern borders in all years during 2015 through 2019.[74]

Simultaneous Presence in Market. In the original investigations, the Commission observed that subject imports from Korea were present in all 44 months during January 2012 to August 2015 and subject imports from Turkey were present in 41 months of that period. Accordingly, the Commission found that there was a sufficient simultaneous presence in the market.[75]

In the current reviews, subject imports from Korea were present in all 60 months from 2015 to 2019 and subject imports from Turkey were reported in 38 of 60 months during that period.[76]

Conclusion. The record in these expedited reviews contains limited information concerning subject imports in the U.S. market during the period of review. The record contains no information suggesting a change in the considerations that led the Commission in the original investigations to conclude that there was a reasonable overlap of competition among subject imports from Korea and Turkey and between imports from each subject source and the domestic like product. In light of this, and the absence of any contrary argument, we find a likely reasonable overlap of competition between subject imports from Korea and Turkey and between the domestic like product and subject imports from each source.

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[73] *Original Determinations,* USITC Pub. 4580 at 12.
[74] CR/PR at I-32.
[75] *Original Determinations,* USITC Pub. 4580 at 12.
[76] CR/PR at I-31.

3. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from each group of subject countries for which we have found there is a likely reasonable overlap of competition are likely to compete under similar conditions in the U.S. market in the event of revocation. The record in these reviews does not indicate that there would be any significant difference in the conditions of competition between subject imports from Korea and Turkey if the orders were revoked. Given that the industry in each of the subject countries supplied the U.S. market with welded line pipe meeting API standards in the original investigations, and that each country's subject industry is export oriented, we find that welded line pipe from each subject country would likely compete directly with one another and the domestic like product in the event of revocation.

4. Conclusion

Based on the foregoing, we find that subject imports from Korea and Turkey would not be likely to have no discernible adverse impact on the domestic industry upon revocation. We also find a likely reasonable overlap of competition among subject imports from Korea and Turkey and between the subject imports from each subject country and the domestic like product. Finally, we find that imports from Korea and Turkey are likely to compete in the U.S. market under similar conditions of competition should the orders be revoked. We therefore exercise our discretion to cumulate subject imports from Korea and Turkey.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[77] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[78] Thus, the likelihood standard is prospective in nature.[79] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[80]

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[77] 19 U.S.C. § 1675a(a).

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

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

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

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[81] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[82]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[83] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[84] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[85]

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[86] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country;

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[81] 19 U.S.C. § 1675a(a)(5).

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

[83] 19 U.S.C. § 1675a(a)(1).

[84] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. *Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Welded Line Pipe from the Republic of Korea and the Republic of Turkey* (Feb. 19, 2021) at 4-5.

[85] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[86] 19 U.S.C. § 1675a(a)(2).

(2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[87]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[88]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[89] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[90]

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[87] 19 U.S.C. § 1675a(a)(2)(A-D).

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

[89] 19 U.S.C. § 1675a(a)(4).

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

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the welded line pipe industries in Korea and Turkey. There also is limited information about the market for welded line pipe in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and the limited new information in the record of these reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[91] The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. The Commission found that demand for welded line pipe was driven by demand for energy products, such as oil and natural gas. Factors related to demand included overall economic growth, oil and gas prices, oil and gas production and rig counts, and the number of pipeline projects. The Commission considered rig counts to be an important indicator of demand trends and observed that the rig count for oil production increased from 1,191 rigs in January 2012 to over 1,600 rigs in 2014, before declining to 628 rigs in June 2015; the rig count for gas production declined from 811 rigs in January 2012 to 228 rigs in June 2015. Additionally, most U.S. producers and purchasers indicated that demand for welded line pipe had either decreased or fluctuated since 2012.[92] Apparent U.S. consumption of welded line pipe decreased from 3.3 million short tons in 2012 to 2.5 million short tons in 2013 and 2014; it was 1.20 million short tons in interim 2014 and 1.19 million short tons in interim 2015.[93]

[91] 19 U.S.C. § 1675a(a)(4).
[92] *Original Determinations,* USITC Pub. 4580 at 17.
[93] *Original Determinations,* USITC Pub. 4580 at 17-18.

Current Reviews. In these reviews, the record gives no indication that the factors affecting demand for welded line pipe have changed since the original investigations. Demand for welded line pipe continues to be driven by demand for energy products, such as oil and natural gas, and rig counts for oil and gas production remain indicators of demand trends.[94] Citing U.S. Energy Information Administration ("EIA") data for rig counts, Domestic Producers assert that demand dropped in 2015, rebounded slightly in 2018 and early 2019, and then fell substantially due to the COVID-19 pandemic and a disagreement between major oil producers.[95] The combined rig count for oil and gas, after ranging from 1,744 to 2,003 during the original January 2012 to June 2015 period of investigation ("POI"), rose from 407 rigs in May 2016 to 1,077 rigs in November-December 2018, and then fell to a low of 250 rigs August 2020.[96] In 2019, apparent U.S. consumption of welded line pipe was 2.1 million short tons, a lower level than any full year during the original POI.[97]

2. Supply Conditions

Original Investigations. The domestic industry was the largest source of supply for welded line pipe in the U.S. market from 2012 to 2014. Domestic producers' production capacity remained below apparent U.S. consumption throughout the POI and fluctuated between 2.2 million short tons and 2.3 million short tons during the full years of the POI. Their share of apparent U.S. consumption increased from 47.8 percent in 2012 to 48.5 percent in 2013, then decreased to 48.1 percent in 2014; it was 49.9 percent in interim 2014 and 34.8 percent in interim 2015.[98]

The Commission observed that cumulated subject imports were the second largest source of supply to the U.S. market in 2013 and 2014 and were the largest source of supply in interim 2015. Cumulated subject imports' market share increased from 24.8 percent in 2012 to 31.2 percent in 2013 and 33.7 percent in 2014; it was 32.2 percent in interim 2014 and 44.6 percent in interim 2015.[99]

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[94] Domestic Producers assert that demand for welded line pipe continues to be associated with oil and natural gas demand. Response at 7.

[95] Response at 7-8 and Exhibit 4. As detailed in a Bloomberg news article, submitted as Exhibit 4 of Domestic Producers' response, there was a sudden and unexpected collapse of global oil prices in early 2020 as a result of a disagreement between Russia and OPEC nations over oil production targets.

[96] Response at 8.

[97] CR/PR at Table I-10; *Original Determinations,* USITC Pub. 4580 at 17-18.

[98] *Original Determinations,* USITC Pub. 4580 at 18.

[99] *Original Determinations,* USITC Pub. 4580 at 18.

The Commission found that nonsubject imports had a substantial presence in the U.S. market throughout the POI. Their market share decreased from 27.4 percent in 2012 to 20.3 percent in 2013 and 18.2 percent in 2014; it was 18.0 percent in interim 2014 and 20.5 percent in interim 2015. Mexico, Japan, Germany, the United Kingdom, and Greece were the largest suppliers of nonsubject imports during the POI.[100]

Current Reviews. There have been several changes in the operations of the domestic industry since the original investigations. Five firms experienced plant closures, two reported acquisitions, one reported a plant opening, and one firm planned an expansion.[101] Domestic Producers reported production capacity of 2.8 million short tons in 2019, which exceeds the 2.3 million short tons the domestic industry reported in 2014.[102] The domestic industry remained the predominant supplier of welded line pipe to the U.S. market in 2019. Its U.S. shipments in 2019 (1.2 million short tons) accounted for 58.2 percent of apparent U.S. consumption by quantity.[103]

Cumulated subject imports were the smallest source of supply to the U.S. market in 2019; they totaled 336,034 short tons and accounted for 16.1 percent of apparent U.S. consumption by quantity.[104] Nonsubject imports were the second largest source of supply in 2019 and have been a larger source than subject imports since 2017.[105] They totaled 533,398 short tons in 2019 and accounted for 25.6 percent of apparent U.S. consumption by quantity. Germany and Mexico were the largest nonsubject sources from 2017 to 2019.[106]

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[100] *Original Determinations,* USITC Pub. 4580 at 18-19.

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

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

[103] CR/PR at Table I-10. We note that the reported market share for the domestic industry in 2019 is likely understated because it reflects only the U.S. shipments of Domestic Producers, which conservatively estimated that their U.S. shipments accounted for at least *** percent of total U.S. shipments in 2019. CR/PR at Table I-1.

We also observe that due to differences in coverage, domestic Industry data in these reviews may not be fully comparable to the data collected in the original investigations. In the original investigations, staff estimated that the data represented the "vast majority" of the domestic industry for 2014. *Original Determinations,* USITC Pub. 4580 at III-1.

[104] CR/PR at Table I-10. Since 2016, nearly all subject imports have come from Korea. *See* CR/PR at Table I-9.

[105] CR/PR at Tables I-9 & I-10.

[106] CR/PR at Table I-9.

3. Substitutability and Other Conditions

Original Investigations. The Commission found that welded line pipe from different sources was moderately-to-highly substitutable and that price was an important factor in purchasing decisions.[107] It observed that welded line pipe from all sources was normally produced to the API 5L specification. Additionally, all domestic producers and a majority of purchasers and importers reported that subject imports and the domestic like product were "always" or "frequently" interchangeable. The domestic like product and subject imports from both Korea and Turkey competed for sales of welded line pipe of less than 16 inches in outside diameter, which was the predominant portion of the U.S. market and one in which AMLs were less prevalent.[108]

The Commission found that hot-rolled steel was the primary raw material used in the production of welded line pipe. Raw material costs accounted for an average of 78.2 percent of domestic producers' total cost of goods sold ("COGS") during the POI.[109]

Current Reviews. The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports or the importance of price in purchasing decisions has changed since the original investigations.[110] Accordingly, we again find that welded line pipe from different sources is moderately-to-highly substitutable and that price continues to be an important factor in purchasing decisions.

Effective March 23, 2018, imports of welded line pipe from Turkey became subject to a 25 percent *ad valorem* duty under Section 232 of the Trade Expansion Act of 1962[111] ("Section 232"). The rate of duty increased to 50 percent *ad valorem* effective August 13, 2018, and returned to its current rate of 25 percent *ad valorem* effective May 21, 2019.[112] Imports of welded line pipe from Korea since March 23, 2018, have been exempted from the imposition of additional duties, but became subject to an annual import quota limit pursuant to Section 232 starting May 1, 2018.[113]

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[107] *Original Determinations,* USITC Pub. 4580 at 19-20.
[108] *Original Determinations,* USITC Pub. 4580 at 19.
[109] *Original Determinations,* USITC Pub. 4580 at 20.
[110] This is consistent with Domestic Producers' assertions. *See* Response at 9.
[111] 19 U.S.C. § 1862.
[112] CR/PR at I-10-11.
[113] CR/PR at I-10-11. The annual quota limit for imports of welded line pipe and other line pipe products from Korea pursuant to Section 232 is 125,646,499 kilograms. *Id.*

C. Likely Volume of Subject Imports

1. The Original Investigations

In the original investigations, the Commission found that cumulated subject imports had a significant and increasing presence in the U.S. market throughout the POI. Subject import volumes increased from 2012 to 2014 and were higher in interim 2015 than in interim 2014. Cumulated subject import volume decreased from 815,007 short tons in 2012 to 788,827 short tons in 2013, and then increased to 851,997 short tons in 2014; the volume was 530,358 short tons in interim 2015, higher than the 385,675 short tons in interim 2014. The share of apparent U.S. consumption held by cumulated subject imports, by quantity, increased from 24.8 percent in 2012 to 31.2 percent in 2013 and 33.7 percent in 2014; it was 32.2 percent in interim 2014 and 44.6 percent in interim 2015.[114] The ratio of the volume of cumulated subject imports to domestic production was substantial and increased throughout the POI.[115]

The Commission recognized that from 2012 to 2014, when cumulated subject imports gained 8.9 percentage points of market share, the domestic industry's share increased by 0.3 percentage points while nonsubject imports lost 9.2 percentage points. However, the Commission found that the largest decrease in the volume of nonsubject imports during this period was in the larger diameter size ranges, while the growth in market share by subject imports was concentrated in smaller diameter size ranges. Therefore, subject imports did not simply replace nonsubject imports from 2012 to 2014. Furthermore, the Commission found that cumulated subject imports took substantial market share from the domestic industry between interim 2014 and interim 2015.[116] The Commission concluded that the volume of cumulated subject imports was significant both absolutely and relative to production and consumption, and the increase in cumulated subject import volume was significant relative to production and consumption in the United States.[117]

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[114] *Original Determinations,* USITC Pub. 4580 at 20.
[115] *Original Determinations,* USITC Pub. 4580 at 20-21.
[116] *Original Determinations,* USITC Pub. 4580 at 21-22.
[117] *Original Determinations,* USITC Pub. 4580 at 22.

2. The Current Reviews

In the current reviews, the available data show that cumulated subject import volumes decreased irregularly from 2014 to 2019. The quantity of cumulated subject imports decreased from 851,997 short tons in 2014 to 724,826 short tons in 2015, the year the orders were imposed, and were 403,118 short tons in 2016; they totaled 648,386 short tons in 2017 and then decreased to 400,081 short tons in 2018 and 336,034 short tons in 2019.[118] The decrease in cumulated subject import volumes since imposition of the orders indicates that the orders have had a disciplining effect. Nevertheless, cumulated subject imports continue to be present in the U.S. market in substantial quantities.

The record indicates that subject producers in Korea and Turkey have the means to increase exports of subject merchandise to the U.S. market within a reasonably foreseeable time if the antidumping and countervailing duty orders were revoked. As previously stated, no importer, producer, or exporter of subject merchandise participated in these reviews. The record in the original investigations reflected that the subject industries had substantial capacity and excess capacity. In 2014, subject producers in Korea reported welded line pipe production capacity of 1.2 million short tons and a capacity utilization rate of 88.8 percent.[119] Turkish producers reported welded line pipe production capacity of 583,526 short tons and a capacity utilization rate of 34.9 percent that year.[120] There is no indication in the record of these reviews that the capacity or excess capacity of the subject industries has declined. Domestic Producers identified 37 producers that they believe may currently produce welded line pipe in Korea and highlighted a significant capacity expansion within the Korean industry.[121] Regarding the subject industry in Turkey, Domestic Producers identified 19 possible producers of welded line pipe and highlighted new plant openings by Turkish producers, demonstrating increased production capacity since the original investigations.[122]

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[118] CR/PR at Tables I-9, I-10.

[119] *Original Determinations,* USITC Pub. 4580 at Table VII-4; Original CR at Table VII-4.

[120] *Original Determinations,* USITC Pub. 4580 at Table VII-9.

[121] CR/PR at I-33. Korean producer EEW Korea Co., Ltd. reportedly expanded its tubular production capacity significantly by opening a second tubular plant in 2015. Response at 14-16.

[122] CR/PR at I-35. Domestic Producers highlight a plant opening by Cimtas Pipe, which acquired API certification in 2017, and another plant opening by Tosçelik Profil ve Sac Endüstrisi A.Ş. in 2016. Response at 17.

The record further indicates that the subject industries are export oriented and that they view the United States as an attractive export market. As previously stated, notwithstanding the disciplining effects of the orders, cumulated subject imports maintained a presence in the U.S. market throughout the POR, showing that subject producers remain interested in, and are able to sell to, the U.S. market. Indeed, Korea was the largest single source of imports of welded line pipe to the United States throughout the POR.[123] Data from the original investigations suggest that subject producers export a majority of their welded line pipe shipments, and that the industry in Korea, in particular, does not have a substantial domestic market. In 2014, Korean producers exported 92 percent of their total welded line pipe shipments, while Turkish producers exported 55 percent of their total shipments. The United States was the leading export market for welded line pipe from both Korea and Turkey that year.[124] Additionally, for subject imports from Turkey, Commerce observed that seven of the subsidy programs it found were likely to continue or recur were export subsidy programs within the meaning of Article 3.1 of the WTO Subsidies Agreement.[125] Such programs serve an incentive for export activity. Moreover, the existence of third-country trade barriers to subject imports likely increases the relative attractiveness of the U.S. market.[126]

Available data indicate that the subject industries' export orientation continued throughout the POR. GTA data show that Korea was the world's second largest exporter of line pipe by quantity each year from 2015 to 2017 and the fifth largest exporter of line pipe in 2019.[127] The United States was the leading destination for export of such merchandise from Korea each year during the POR.[128] Turkey was the world's sixth largest exporter of line pipe in 2015 and the ninth largest exporter of line pipe in 2019.[129]

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[123] CR/PR at Table I-9.

[124] *Original Determinations* at Tables VII-4 & VII-9; Original CR at Tables VII-4 & VII-9. Subject producers in Korea exported *** percent of their total shipments to the United States in 2014; subject producers in Turkey exported *** percent of their total shipments to the United States that year. *Id.*

[125] *Issues and Decision Memorandum for the Expedited First Sunset Review of the Countervailing Duty Order on Welded Line Pipe from the Republic of Turkey* (Mar. 2, 2021) at 7.

[126] Canada imposed an antidumping duty order on welded line pipe from Korea effective April 2018. Response at 19. *See also* CR/PR at I-37. In February 2019, the European Commission ("EC") imposed a safeguard tariff rate quota on "large welded tubes" and "other welded pipes," applying to welded line pipe from both Korea and Turkey. Response at 18-19.

[127] CR/PR at Tables I-12 & I-15. Limitations of GTA data, including the likely understatement of the relative export levels for Korea and Turkey, were discussed in section III.C.1.

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

[129] CR/PR at Table I-15.

In light of these factors, we find that subject producers are likely, upon revocation, to direct additional volumes of welded line pipe to the U.S. market. We find that the likely cumulated volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.[130]

D. Likely Price Effects

1. The Original Investigations

In the original investigations, the Commission concluded that cumulated subject imports had significant price effects. It found that the domestic like product and subject imports were moderately-to-highly substitutable and that price was an important consideration in purchasing decisions.[131] Based on record evidence showing that cumulated subject imports undersold the domestic like product in 63 of 65 quarterly comparisons at an average margin of 22.3 percent, the Commission found underselling to be significant.[132] The Commission found that this underselling allowed cumulated subject imports to increase their market share at the expense of the domestic industry because the underselling was pervasive among the smaller diameter line pipe products where competition between the domestic like product and cumulated subject imports was concentrated, and the underselling was pervasive between the first quarter of 2014 and the second quarter of 2015 when cumulated subject imports gained 11.7 percentage points of market share at the expense of the domestic industry.[133]

The Commission also found that subject imports had significant price-depressing effects. While it acknowledged that decreases in apparent U.S. consumption and raw material costs during much of the POI may have contributed to a decline in domestic prices, it observed that these factors should have affected prices for the domestic like product and the subject imports similarly. Prices for the domestic like product, however, declined more rapidly than those for

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[130] We find no indication in the record that Section 232 trade measures are likely to serve as a substantial constraint to increased imports were the orders revoked. The only information in the record pertinent to this question is Domestic Producers' assertion that the quota for Korea provides little actual restraint on imports in light of current demand conditions. Response at 17.

We observe that the record in these expedited reviews contains no information concerning inventories of the subject merchandise or the potential for product shifting.

[131] *Original Determinations,* USITC Pub. 4580 at 22-24.

[132] *Original Determinations,* USITC Pub. 4580 at 23.

[133] *Original Determinations,* USITC Pub. 4580 at 23.

subject imports. The Commission consequently found that the increasing volume of lower-priced subject imports contributed significantly to the decline in domestic prices.[134]

2. The Current Reviews

As previously discussed in Section IV.B.3., there is a moderate-to-high degree of substitutability between the domestic like product and cumulated subject imports and price continues to be an important factor in purchasing decisions. Due to the expedited nature of these reviews, the record does not contain new product-specific pricing information. As explained above, the Commission found underselling in the overwhelming majority of quarterly comparisons during the original investigations. The Commission also found that increasing volumes of subject imports significantly contributed to a decline in domestic prices.[135] In light of these considerations, we find that if the orders were revoked, the significant underselling by cumulated subject imports observed in the original investigations would likely recur. As a result, the domestic industry likely would lose sales resulting in lost market share or would be forced to cut prices or forego price increases to maintain market share. Accordingly, we find that cumulated subject imports are likely to have significant price effects if the orders were revoked.

E. Likely Impact

1. The Original Investigations

In the original investigations, the Commission found that the domestic industry's performance deteriorated in several respects: its capacity utilization, U.S. shipments, and employment all declined, and its financial performance was poor and deteriorating. U.S. shipments decreased from 1.57 million short tons in 2012 to 1.23 million short tons in 2013 and 1.22 million short tons in 2014, they were 598,201 short tons in interim 2014 and 414,043 short tons in interim 2015. Capacity utilization declined from 70.9 percent in 2012 to 58.3 percent in 2013 and 57.4 percent in 2014; it was 58.3 percent in interim 2014 and 41.7 percent in interim 2015.[136] Employment declined by 281 production related workers from 2012 to 2014, and

[134] *Original Determinations,* USITC Pub. 4580 at 24.
[135] *Original Determinations,* USITC Pub. 4580 at 23-24.
[136] *Original Determinations,* USITC Pub. 4580 at 25-26 & n.127.

there were 531 fewer workers in interim 2015 than in interim 2014.[137] All measures of profitability declined, with operating income falling from $299 million in 2012 to $26.1 million in 2013 and $317,000 in 2014. The industry sustained operating losses of $5.2 million in interim 2014 and $14.4 million in interim 2015. Its operating income margin declined from 14.0 percent in 2012 to 1.8 percent in 2013 and 0.02 percent in 2014; it was negative 0.8 percent in interim 2014 and negative 3.2 percent in interim 2015.[138]

The Commission found that the domestic industry, by cutting prices in response to low-priced subject imports, moderated market share losses to some extent in the early portion of the POI. These price declines, however, reduced the industry's revenues from what they would have been otherwise and led to deteriorating financial performance. Additionally, during the latter portion of the POI, as cumulated subject import volume increased sharply, the domestic industry lost market share to subject imports even as prices for the domestic like product declined sharply. As a result, output and employment fell, sales revenue continued to decline, and the industry's financial performance declined sharply. For the forgoing reasons, the Commission found that subject imports had a significant impact on the domestic industry.[139]

In its non-attribution analysis, the Commission rejected the respondent argument that the domestic industry's declining prices and financial conditions were due to declines in raw materials costs, indicating that these could not explain the revenue losses the industry incurred because of lost market share during the latter portion of the POI. It found that the available pricing data, which generally indicated that prices for nonsubject imports were higher than those of subject imports during the POI, indicated that nonsubject imports were not responsible for the adverse price effects that it attributed to subject imports.[140]

2. The Current Reviews

Due to the expedited nature of these reviews, the record contains limited information on the domestic industry's performance since the original investigations. The available information concerning the domestic industry's condition consists primarily of the data Domestic Producers submitted in response to the notice of institution.

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[137] *Original Determinations,* USITC Pub. 4580 at 26. *See also Id.* at Table III-9.
[138] *Original Determinations,* USITC Pub. 4580 at 26-27.
[139] *Original Determinations,* USITC Pub. 4580 at 27.
[140] *Original Determinations,* USITC Pub. 4580 at 28-29.

The available data indicate that in 2019 the domestic industry's production capacity was 2.8 million short tons, its production was 1.2 million short tons, and its capacity utilization rate was 37.3 percent.[141] U.S. shipments were 1.2 million short tons, with a value of $1.64 billion and an average unit value ("AUV") of $1,350 per short ton.[142] The industry's reported total net sales were $1.63 billion in 2019; its operating income was $46.8 million, and its operating income margin was 2.9 percent.[143] Because of the expedited nature of these reviews, the limited information in the record is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury if the orders were revoked.

Based on the information available in these reviews, we find that revocation of the orders would likely lead to a significant volume of cumulated subject imports and that these imports would likely undersell the domestic like product to a significant degree, which would in turn result in domestic producers losing market share or decreasing prices or forgoing price increases to maintain market share. Cumulated subject imports' significant volume and price effects would consequently likely have a significant adverse effect on the domestic industry's production, capacity utilization, shipments, revenues, employment, and profitability.

We have also considered the role of factors other than cumulated subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to cumulated subject imports. As discussed previously, the facts available show that nonsubject imports increased their presence in the market since 2013. Nonetheless, the increasing presence of nonsubject imports did not preclude the domestic industry in 2019 from obtaining higher AUVs for its products and achieving profitable operations notwithstanding apparent U.S. consumption at a level well below historical peaks.[144] Given the degree of substitutability between cumulated subject imports and the domestic like product, the importance of price in

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[141] CR/PR at Table I-8. Reported capacity utilization in 2019 was lower than in any year during the original POI. *Id.*

[142] CR/PR at Table I-8. Reported AUVs in 2019 were higher than during any year of the original POI. *Id.*

[143] CR/PR at Table I-8. Reported operating income margin in 2019 was higher than in 2013 and 2014, but lower than that of 2012. *Id.*

[144] CR/PR at Table I-8. In 2014, the domestic industry's reported AUV for U.S. shipments was $1,070 per short ton, while in 2019, Domestic Producers reported an AUV of $1,350 per short ton. The domestic industry's operating income margin in 2019 was 2.9 percent, below the 14.0 percent reported in 2012 but higher than 1.8 percent and 0.0 percent reported in 2013 and 2014, respectively. *Id.* Apparent U.S. consumption decreased from 3.3 million short tons in 2012 to 2.5 million short tons in 2014; it was 2.1 million short tons in 2019. CR/PR at Table I-10.

purchasing decisions, the likelihood of underselling by subject imports in the absence of the discipline of the orders, and the fact that the domestic industry is the predominant supplier of welded line pipe to the U.S. market, we find it likely that any increase in subject imports would come at least in part at the expense of the domestic industry. Consequently, subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

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

V. Conclusion

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

Information obtained in these reviews

Background

On November 2, 2020, the U.S. International Trade Commission ("Commission") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the countervailing duty order on certain welded line pipe from Turkey and the antidumping duty orders on certain welded line pipe from Korea and Turkey would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
November 1, 2020	Notice of initiation by Commerce (85 FR 69585 November 3, 2020)
November 2, 2020	Notice of institution by Commission (85 FR 69354, November 2, 2020)
February 5, 2021	Commission's vote on adequacy
March 2, 2021	Commerce's results of its expedited reviews on Korea (AD) and Turkey (AD)
March 9, 2021	Commerce's results of its expedited review on Turkey (CVD)
June 14, 2021	Commission's determinations and views

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

[2] 85 FR 69354, November 2, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 85 FR 69585, November 3, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission's website (www.usitc.gov).

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

[4] Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. The Commission did not receive any responses from the purchaser surveys transmitted to the purchasers identified in this proceeding. More information is contained in app. D.

Responses to the Commission's notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the following entities: American Cast Iron Pipe Company ("ACIPCO"), Axis Pipe and Tube, California Steel Industries, IPSCO Tubulars Inc., Maverick Tube Corporation, Stupp Corporation, a division of Stupp Bros., Inc. ("Stupp Corporation"), Tex-Tube Company ("Tex-Tube"), Welspun Tubular LLC, and Wheatland Tube Company, domestic producers of certain welded line pipe (collectively referred to herein as "domestic interested parties").

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

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

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producers	9	***

Note: The U.S. producer coverage figure presented is the domestic interested parties' estimate of their share of total U.S. shipments of certain welded line pipe during 2019. The estimate was calculated using domestic interested parties' actual shipments of welded line pipe within the scope of these orders, 1,212,966 short tons in 2019, and the quantity of total domestic shipments of welded line pipe of all sizes reported by ***, (*** short tons). The domestic interested parties noted that because *** data overstate shipments of the domestic like product for items over 24 inches in outer diameter, the percentage of domestic industry shipments accounted for by the responding domestic producers is "conservatively estimated to be *** at the very least. In reality, the responding domestic producers account for an even higher percentage of domestic industry shipments of welded line pipe within the scope of these reviews. Domestic interested parties' response to cure letter, December 16, 2020, pp.3-4.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested parties. The domestic interested parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on certain welded line pipe.[5]

The original investigations

The original investigations resulted from petitions filed on October 16, 2014, with Commerce and the Commission by ACIPCO, Birmingham, Alabama; EnergeX, a division of JMC Steel Group, Chicago, Illinois; Maverick Tube Corporation, Houston, Texas; Northwest Pipe Company, Vancouver, Washington; Stupp Corporation, Baton Rouge, Louisiana; Tex-Tube, Houston, Texas; TMK IPSCO, Houston, Texas; Welspun, Little Rock, Arkansas.[6] On October 13, 2015, Commerce determined that imports of certain welded line pipe from Korea and Turkey were being sold at less than fair value ("LTFV") and that imports of certain welded line pipe

[5] Domestic interested parties' comments on adequacy, January 14, 2021.

[6] Certain Welded Line Pipe from Korea and Turkey, Inv. Nos. 701-TA-525 and 731-TA-1260-1261 (Final), USITC Publication 4580, November 2015 ("Original publication"), p. I-1.

were subsidized by the Government of Turkey.[7] [8] The Commission determined on November 20, 2015, that the domestic industry was materially injured by reason of LTFV imports of certain welded line pipe from Korea and Turkey, and subsidized imports of certain welded line pipe from Turkey.[9] On December 1, 2015, Commerce issued its antidumping duty orders with final weighted-average dumping margins ranging from 2.53 to 6.23 percent for exporter/producers in Korea and 6.66 to 22.95 percent for exporter/producers in Turkey; and issued its countervailing duty order with net subsidy rates ranging from 1.31 to 152.20 percent for producer/exporters in Turkey. [10]

Previous and related investigations

The Commission has conducted multiple import relief investigations on welded line pipe. Table I-2 presents information on previous investigations for welded line pipe not exceeding 16 inches in outside diameter ("small diameter"). Table I-3 presents information on related broader investigations that have also included imports of small diameter welded line pipe, in whole or in part. Table I-4 presents information on previous investigations that have included imports of welded line pipe exceeding 16 inches in outside diameter ("large diameter").

[7] 80 FR 61366, October 13, 2015; 80 FR 61362, October 13, 2015; 80 FR 61371, October 13, 2015.

[8] On October 13, 2015, Commerce determined that countervailable subsidies were not being provided to producers and exporters of certain welded line pipe from Korea. 80 FR 61365, October 13, 2015.

[9] 80 FR 74133, November 27, 2015.

[10] 80 FR 75056, December 1, 2015; 80 FR 75054, December 1, 2015.

Table I-2
Certain welded line pipe: Previous small diameter line pipe Commission proceedings

Investigations		Dates		Status
Number	Product / Country	Begin	End	
701-TA-165, 168	Welded Carbon Steel Pipes and Tubes from Brazil and Korea	05/07/1982	12/27/1982	Brazil - terminated after Commission preliminary affirmative determination
			02/08/1983	Korea - Commission final affirmative determination;[1] order revoked by Commerce effective October 1, 1984
731-TA-212	Welded Carbon Steel Pipes and Tubes from Venezuela	12/18/1984	02/01/1985	Commission preliminary negative determination[2]
701-TA-242 & 731-TA-253	Welded Carbon Steel Pipes and Tubes from Venezuela	02/28/1985	12/05/1985	Terminated by Commerce following Commission preliminary affirmative determination[2]
701-TA-252-253 & 731-TA-272-274	Welded Carbon Steel Pipes and Tubes from Taiwan, Turkey, and Yugoslavia	07/16/1985	01/08/1986	Taiwan and Yugoslavia - terminated by Commerce following Commission preliminary affirmative determinations
			02/21/1986	Turkey - Commission final affirmative determination;[2] countervailing duty order revoked by Commerce effective January 1, 2000
731-TA-375	Certain Line Pipes and Tubes from Canada	02/11/1987	03/30/1987	Commission preliminary negative determination[3]

Table continued on next page.

Table I-2--Continued

Certain welded line pipe: Previous small diameter line pipe Commission proceedings

Investigations		Dates		Status
Number	Product / Country	Begin	End	
TA-201-70	Circular Welded Carbon Quality Line Pipe	06/30/1999	12/22/1999	Commission affirmative determination with respect to all countries except Mexico and Canada;[4] relief ended effective March 1, 2003
731-TA-1073-1075	Circular Welded Carbon Quality Line Pipe from China, Korea, Mexico	10/06/2004	12/14/2004	China - terminated by Commerce following Commission preliminary affirmative determination
			02/17/2005	Korea and Mexico terminated after petition withdrawn[5]
731-TA-1150	Circular Welded Carbon Quality Steel Line Pipe from Korea	04/03/2008	11/25/2008	Terminated after petition withdrawn
701-TA-455 and 731-TA-1149	Circular Welded Carbon Quality Steel Line Pipe from China	04/03/2008	05/06/2009	Commission affirmative determination;[6] order continued after second review (September 2019)

[1] The Commission found small (16 inches or less) diameter welded carbon steel standard, line, and structural pipes and tubes to constitute a single like product.

[2] The Commission found separate like products consisting of welded standard pipe and welded line pipe.

[3] The Commission found that the product "like" welded line pipe from Canada was welded line pipe. Commissioner Brunsdale concurred with reservations, writing that "...while I do not do so here, it appears appropriate to find that the like product consists of both standard and line pipe."

[4] The Commission found that the domestic product "like or directly competitive" with line pipe (including multiple-stenciled line pipe) was line pipe. Commissioner Crawford concluded that the record would justify defining the like or directly competitive product as both line pipe and standard pipe, although she declined to do so.

[5] The Commission found small (16 inches or less) diameter welded line pipe to constitute a single like product but in the final phase sought data on both welded standard pipe and welded line pipe.

[6] The Commission found small (16 inches or less) diameter circular welded carbon quality steel line pipe to constitute a single like product, noting that it had found in a previous investigation that large diameter line pipe is a distinct like product from line pipe 16 inches and under in diameter.

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

Table I-3
Related broader Commission investigations

Investigations		Dates		Status
Number	Product / Country	Begin	End	
TA-201-51	Carbon and Certain Alloy Tool Steel Products	01/24/1984	07/24/1984	Commission negative determination[1]
731-TA-732-733	Circular Welded Nonalloy Steel Pipe from Romania and South Africa	04/26/1995	06/27/1996	Commission final negative determination[2]
731-TA-943-947	Circular Welded Non-Alloy Steel Pipe from China, Indonesia, Malaysia, Romania, and South Africa	05/24/2001	07/16/2001	Indonesia, Malaysia, Romania, and South Africa - Commission preliminary negative determination
			07/02/2002	China - Commission final negative determination[3]
TA-421-06	Circular Welded Non-Alloy Steel Pipe from China	08/02/2005	10/21/2005	Commission affirmative[4] followed by a Presidential determination that import relief was not in the national interest
701-TA-447 & 731-TA-1116	Circular Welded Carbon Quality Steel Pipe from China	06/07/2007	07/02/2008	Commission affirmative final determinations;[5] order continued after second review (June 2019)

[1] The Commission found that the like or directly competitive product was all welded and seamless pipe.
[2] In the final phase of the investigations, the Commission found that the domestic product "like" subject imports of standard pipe (including multiple-stenciled pipe used in standard pipe applications) included all multiple-stenciled pipe. Commissioners Crawford and Watson concluded that the record would justify defining the domestic like product to include all (welded) line pipe, although they declined to do so.
[3] In the final phase of the investigation, the Commission found that the domestic product "like" subject imports of standard pipe (including multiple-stenciled pipe used in standard pipe applications) was standard pipe (including multiple-stenciled pipe used in standard pipe applications), "absent argument and information to the contrary."
[4] The Commission found that the domestic product "like or directly competitive" subject imports of standard pipe (including multiple-stenciled pipe used in standard pipe applications) was standard pipe (including multiple-stenciled pipe used in standard pipe applications).
[5] The Commission defined the domestic like product as coterminous with Commerce's scope. Commerce's scope includes multiple-stenciled line pipe when it meets the physical description (in the scope) and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish.

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

Table I-4
Certain welded line pipe: Previous large diameter line pipe Commission proceedings

Investigations		Dates		Status
Number	Product / Country	Begin	End	
731-TA-183	Large Diameter Carbon Steel Welded Pipes from Brazil	March 1984	March 1985	Commission termination of investigation following withdrawal of petition
731-TA-919-920	Certain Welded Large Diameter Line Pipe from Japan and Mexico	January 2001	October 2001	Japan-Commission affirmative determination;[1] order continued after third review (October 2019)
			February 2002	Mexico-Commission affirmative determination; order revoked after first review (October 2007)
TA-201-73	Certain Steel Products	June 2001	December 2001	Commission affirmative determination; relief ended effective December 4, 2003[2]
701-TA-593-596 and 731-TA-1401-1406	Large Diameter Welded Pipe from Canada, China, Greece, India, Korea, Turkey	January 2018	January 2019	China and India--Commission affirmative determinations with respect to large diameter line pipe; orders in place
			April 2019	Canada, Greece, Korea, Turkey--Commission affirmative determinations with respect to large diameter line pipe[3]; orders in place

[1] The Commission found that the domestic like product as welded carbon and alloy line pipe with an outside diameter greater than 16 inches but less than 64 inches.
[2] The Commission majority found that the domestic like product was welded pipe other than OCTG. The like or directly competitive product did not include welded line pipe with an outside diameter that does not exceed 16 inches (the excluded welded line pipe 16 inches or less in diameter was covered by the section 201 relief request on line pipe, TA-201-70, which is discussed above).
[3] In these investigations, the Commission found three domestic like products: large diameter welded carbon and alloy steel line pipe ("line pipe"), large diameter welded carbon and alloy steel structural pipe ("structural pipe"), and large diameter welded stainless steel pipe ("stainless steel pipe").Commissioner Kearns found large diameter line pipe and large diameter structural pipe to be a single domestic like product.

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

Commerce's five-year reviews

Commerce is conducting expedited reviews with respect to the orders on imports of certain welded line pipe from Korea and Turkey and intends to issue the final results of these

reviews based on the facts available not later than March 3, 2021.[11] Commerce's Issues and Decision Memoranda, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memoranda can be accessed at http://enforcement.trade.gov/frn/. The Issues and Decision Memoranda will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and/or countervailing duty orders on imports of certain welded line pipe from Korea and Turkey are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

> *The merchandise covered by these orders is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of these orders.*[12]

U.S. tariff treatment

Certain welded line pipe is currently imported under HTS statistical reporting numbers 7305.11.1030, 7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000,

[11] Letter from Melissa G. Skinner, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, December 23, 2020.

[12] 80 FR 75056, December 1, 2015.

7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150.[13] Certain welded line pipe imported from Korea and Turkey enters the U.S. market at a column 1-general duty rate of "free." As of March 23, 2018, certain welded line pipe imported from Korea is subject to an import quota limit under Section 232 of the Trade Expansion Act of 1962, as amended. As of May 21, 2019, certain welded line pipe imported from Turkey is subject to an additional 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Section 232 tariff treatment

HTS heading 7305 was included in the enumeration of iron and steel articles (imported on or after March 23, 2018) that became subject to the additional 25 percent ad valorem Section 232 duties.[14] See U.S. notes 16(a) and 16(b), subchapter III of HTS chapter 99.[15] At this time, imports of line pipe from Australia, Canada, and Mexico are exempt from duties or quota limits; imports of line pipe from Argentina (0 short tons); Brazil (45 short tons); and Korea (138,502 short tons) are exempt from duties but instead are subject to quota limits;[16] and imports from all other countries are subject to 25 percent additional duties.

Korea - Imports of line pipe from Korea have been exempted from the Section 232 duties as of March 23, 2018.[17] The exemptions became an annual import quota limit of 125,646,499

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[13] The scope of these investigations includes seven HTS-10 digit statistical reporting numbers under which subject line pipe is primarily reported on importation into the United States (7305.11.1030, 7305.12.1030, 7305.19.1030, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150). Data collected under these seven HTS 10-digit statistical reporting numbers are presented in this report. The scope also includes three HTS subheadings (7305.11.50, 7305.12.50, and 7305.19.50), which cover alloy steel pipe of named materials with no outer diameter size restriction and thus cover goods with larger diameter along with subject goods. Separate data for subject merchandise classified in those subheadings are not available, but based on staff research, entries of subject merchandise are believed to be limited. Finally, the scope references two additional HTSUS statistical reporting numbers (7305.11.1060 and 7305.12.1060), covering LSAW line pipe or other longitudinally welded pipe of iron or steel exceeding 24 inches (609.6 mm) in outer diameter.

[14] Adjusting imports of steel into the United States, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

[15] HTSUS (2019) Revision 3, USITC Publication 4890, April 2019, pp. 99-III-5 – 99-III-6.

[16] 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.

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

kilograms (138,502 short tons) as of May 1, 2018,[18] which was continued as of June 1, 2018,[19] and continued again as an annual import quota limit as of August 13, 2018.[20]

Turkey - Imports of line pipe from Turkey have been subject to the Section 232 duties since they became effective, but the rate of duty has been adjusted on two occasions. On August 10, 2018, the 25 percent ad valorem Section 232 duties for Turkey were increased to 50 percent.[21] They remained at that level until May 23, 2019, when the duty was lowered back to 25 percent.[22] That remains the current rate.

Description and uses[23]

Line pipe[24] is classified as long-rolled steel pipe product that can be either welded or seamless, and produced in sizes from 1/8 inches to over 80 inches in outer diameter. Line pipe is produced to API specifications.[25] The most common application for line pipe is the gathering, transmission, and distribution of oil and gas, generally in a pipeline or utility distribution system (figure I-1). Line pipe can be produced with plain ends, threaded beveled, grooved, flanged, or expanded, depending on the requirements.

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[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 9759, May 31, 2018, 83 FR 25857, June 5, 2018.

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

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

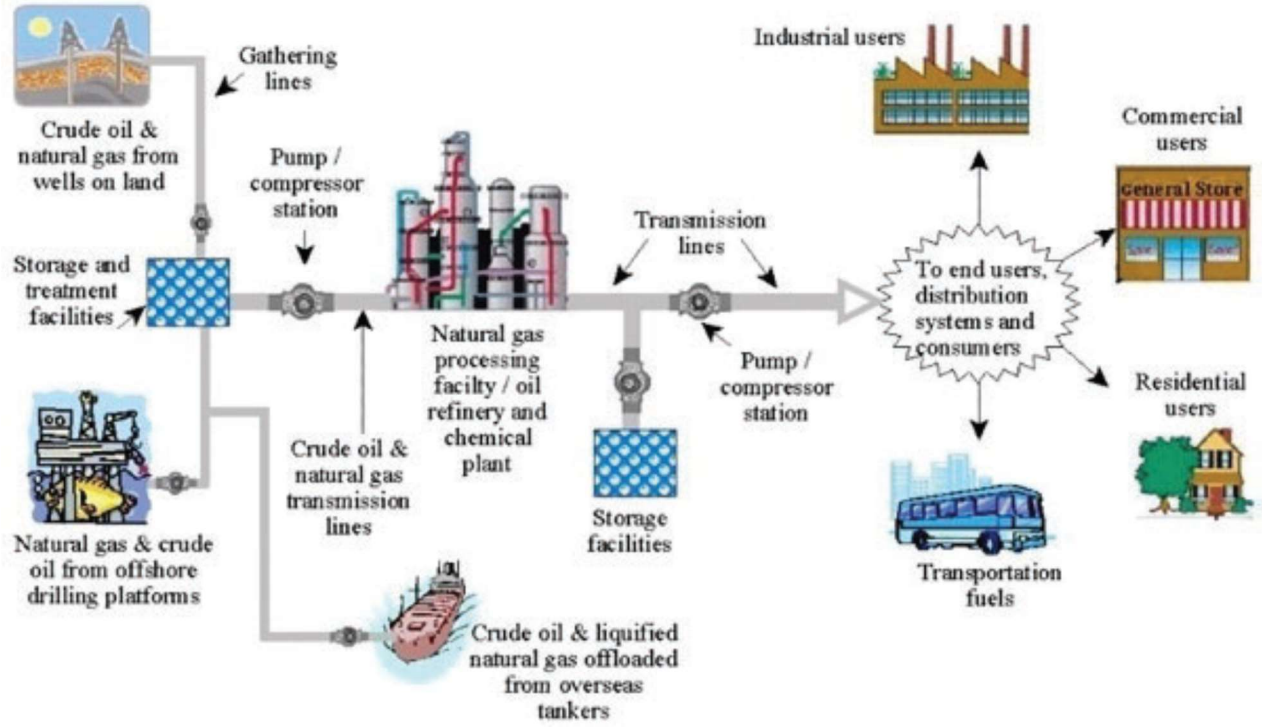
[22] *Adjusting imports of Steel Into the United States*, Presidential Proclamation 9772, August 10, 2018, 84 FR 23987, May 23, 2019.

[23] Unless otherwise noted, this information is based on the Original publication, pp. I-13-I-19.

[24] The terms "pipes" and "tubes" are interchangeable in common usage and are not separately provided for in the HTS. However, tubular product manufacturers typically categorize "pipes" as having a circular cross-section in a few standard sizes, where as "tubes" may have any cross-sections (circular, square, rectangular, or others). Steel pipes can be manufactured in either a welded or seamless process. Steel pipes can be further subdivided according to the grades of steel (carbon, alloy, and stainless) used in steel production. Moreover, the American Iron and Steel Institute ("AISI") further categorizes steel pipes and tubes by six end uses: line pipe, standard pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods. Seamless and stainless steel pipe are outside the scope of these reviews.

[25] API specification 5L provides standards for "pipe suitable for use in conveying gas, water, and oil in both the oil and natural gas industries." The specification covers seamless and welded steel line pipe. Seamless pipe, although covered by the 5L specification, is outside the scope of these reviews. Although line pipe can be used to convey water, line pipe certified to American Water Works Association specifications is likewise outside the scope of these reviews.

Figure I-1
Examples of an oil and natural gas pipeline system



Source: U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, https://primis.phmsa.dot.gov/comm/FactSheets/FSTransmissionPipelines.htm, retrieved December 22, 2020.

The line pipe subject to these reviews, certain welded line pipe, is a welded circular pipe product with an outside diameter no more than 24 inches (609.6 mm), regardless of wall thickness, length, surface finish, or end finish.[26] Line pipe can be produced from certain carbon or alloy steel. Carbon steel contains controlled amounts of carbon and manganese. Alloy steels contain measured amounts of alloying elements, typically including nickel, chromium, and molybdenum, and provide physical properties not feasible with carbon steels.[27] Line pipe is typically produced domestically in lengths of 40 feet or greater with a bare finish or a lacquered finish to protect the pipe from rusting, which is vital for storage in humid regions or for waterborne transportation. End finishes typically include square cut or beveled for welding in the field.

[26] Although the scope of the reviews does not consider wall thickness, API 5L specifications have thickness requirements.

[27] The distinguishing characteristics of alloy steel are its physical properties, which make the alloy steel pipe suitable for application in high temperature or low temperature service.

The subject product includes certain welded line pipe used in oil and gas pipelines for the gathering, transmission, and distribution of oil and gas. Gathering is an upstream application in which welded line pipe is used to move the natural gas out of the fields and into the processing plant, or gather crude oil for further processing in oil refineries.[28] Smaller diameter line pipe ranging from 2 to 8 inches in outer diameter traditionally has been used in standard gathering applications for the oil and gas industries;[29] however, the diameter sizes of line pipe for gathering applications have been increasing in recent years due to extensive shale gas development.[30] Welded line pipe in diameter sizes up to 24 inches has become more common in gathering applications for pad drilling[31] in shale gas regions.[32]

Transmission of oil and gas is considered a midstream application in which welded line pipe is used to move oil and gas to any type of collection or distribution point, often over long distances.[33] Line pipe used in transmission applications have larger diameter sizes than line pipe

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[28] Gathering applications for natural gas consist of individual gas wells connected to field gas treatment facilities and processing facilities, or to branches of a larger gathering system. Natural gas is processed at the treatment facility to remove impurities before entering the transmission pipeline. Gathering applications for oil include pumping crude oil from the ground where it travels through a pipeline to tank batteries, where the oil, gas, and water are separated. After the crude oil is separated, the processed oil is kept in storage tanks until moving into transmission pipelines.

[29] In the past, line gathering pipelines were built in minimally populated areas and used smaller-diameter line pipe that operated at lower pressure. U.S. Department of Transportation, Pipelines and Hazardous Materials Safety Administration, Gathering Pipelines: FAQs, https://www.phmsa.dot.gov/faqs/gathering-pipelines-faqs, retrieved December 22, 2020.

[30] Paul W. Parfomak, "Shale Gas Gathering Pipelines: Safety Issues," August 1, 2014, http://fas.org/sgp/crs/misc/IN10123.pdf, retrieved December 22, 2020.

[31] Pad drilling is the practice of drilling multiple entry points into oil wells from a single surface location, as opposed to drilling a single well. U.S. Energy Information Administration, "Pad drilling and rig mobility lead to more efficient drilling," September 11, 2012, https://www.eia.gov/todayinenergy/detail.php?id=7910, retrieved December 22, 2020.

[32] Line pipe used in the various shale plays like Marcellus, Utica, Barnett, and Bakken is generally of much larger diameter than traditional gas gathering pipelines. U.S. Department of Transportation, Pipelines and Hazardous Materials Safety Administration, Gathering Pipelines: FAQs, https://www.phmsa.dot.gov/faqs/gathering-pipelines-faqs, retrieved December 22, 2020.

[33] Transmission lines are also known as "trunk lines." Transmission of natural gas occurs from the principal supply areas to distribution centers, large volume customers or other transmission lines. The transmission pipelines for oil consists of two types of transmission lines: 1) crude oil transmission lines, which travel long distance from crude oil storage and treatment tanks to oil refineries, and 2) refined products transmission lines, which refined oil to a distribution center after impurities are removed in the oil refineries. The interstate Natural Gas Association of America, America's Natural Gas Pipeline Network: Delivering Clean Energy for the Future, 2009, pp. 128; and U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration,

(*continued*...)

used in gathering applications because refined oil or natural gas may have to move across national or international boundaries to reach distribution channels. Line pipe diameter sizes used in the transmission of oil and gas can vary greatly, although line pipe used in transmission applications for natural gas is traditionally larger than those used for oil.

Distributing oil and gas is a downstream application in which certain welded line pipe is used to move the oil and gas from the transmission pipeline to the end-use customer.[34] Line pipe used for distributing oil and gas to end users is generally smaller diameter sizes than those used in transmission applications, and commonly ranges between 0.5 to 6 inches in outer diameter.

The subject line pipe generally bears an API line pipe stencil and is normally produced in conformance with API 5L specifications. The API 5L specification for line pipe indicates the marking and class A-25, A, B, and grades from X-42 through X-80; process of manufacture (seamless pipe, electric resistance welded pipe, or continuous welded pipe); product specification levels (PSL 1 and PSL 2); and heat treatment and test pressure. The API 5L grades define the strength level of the pipe and of the steel used to make the pipe. For grade A25 and X42 to X80, the last two digits reflect the yield strength of the steel. For example, X42 has 42,000 psi of yield strength. Lower grades of line pipe, specifically A25, grades A and B, have lower strength but have other desirable properties. For example, grade A line pipe is more malleable and weldable than pipes of higher grade. Line pipe can have multiple stencils, signifying compliance with more than one certification, such as grade B/X42, as well as standard pipe, piling, or structural pipe certifications.

The API 5L specification establishes product specification levels which define two different levels of standard technical requirements, PSL 1 and PSL 2.[35] PSL 1 line pipe is a standard quality level, while PSL 2 contains additional testing requirements, including additional nondestructive testing conditions, and stricter chemical and mechanical properties. PSL 1 line pipe is mostly used for conventional distribution of oil and gas, due to its less stringent chemical

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https://primis.phmsa.dot.gov/comm/FactSheets/FSTransmissionPipelines.htm, retrieved December 22, 2020.

[34] Distribution of natural gas occurs through a valve and metering station, where natural gas is delivered to local distribution companies through small-diameter line pipe (also known as main and service lines) with lower pressure than transmission lines. U.S. Department of Energy, Argonne National Laboratory, Overview of the Design, Construction, and Operation of Interstate Liquid Petroleum Pipelines, https://corridoreis.anl.gov/documents/docs/technical/apt_60928_evs_tm_08_1.pdf, retrieved December 22, 2020.

[35] PSL 1 line pipe can be supplied in grades A25 to X70, whereas PSL 2 line pipe can be supplied in Grades B through X80. American Petroleum Institute, API Specification 5L, 45th Edition, December 2012.

and mechanical properties.[36] PSL 2 line pipe is mostly used for natural gas or crude oil pipelines where there are higher requirements for pipe pressure, corrosion resistance, and mechanical strength.

Manufacturing process[37]

Certain welded line pipe ("CWLP") is produced by one of two manufacturing methods. The first method is electric resistance welding ("ERW"). The second method, submerged arc welding ("SAW"), encompasses both helical (or spiral) welding ("HSAW") and longitudinal welding ("LSAW"). HSAW and ERW pipe are both made from steel coils whereas LSAW pipe is made from steel plates. Because of the helical wrap of the steel, HSAW pipe size is not limited by the coil width. HSAW line pipe is generally used for U.S. pipe projects with outer diameters greater than 24 inches.[38] ERW is limited by the coil width and is suitable for thinner walled and smaller diameter pipes. The manufacturing of HSAW and ERW is a continuous forming process versus the piece-by-piece production of LSAW. HSAW and ERW pipe are generally used in less demanding applications, while LSAW is preferred in more demanding applications. The HSAW method of pipe production has become more common due to technological advances such as the ability to produce wider and thicker hot-rolled coils and improvements in welding technology. Pipe is usually furnished in nominal lengths and within the certain length tolerances.[39] Nominal lengths for large diameter welded line pipes typically range between a minimum of 20 feet to a maximum of 80 feet. However, tolerance lengths for large diameter welded line pipe widen the range from a minimum length of 9 feet to a maximum length of 85 feet depending on whether the pipe is threaded-and-coupled or plain-end. Table I-5 presents this information.

[36] American Petroleum Institute, API Specification 5L, 45th Edition, December 2012; and American Piping Products, PSL 1 and PSL 2 Spec Sheet, https://www.amerpipe.com/steel-pipe-products/welded-pipe/psl-1-vs-psl-2-spec-sheet/, retrieved December 22, 2020.

[37] Unless otherwise noted, this information is based on the Original publication, pp. I-19-I-24.

[38] Some foreign manufacturers may use ERW techniques to produce pipe up to 26 inches in outer diameter, but domestic producers typically are limited at 24 inches.

[39] Unless otherwise agreed between the manufacturer and the purchaser.

Table I-5
Certain welded line pipe: Maximum and minimum length specifications

Nominal length	Minimum length	Minimum average length for each order item	Maximum length
Threaded-and-coupled pipe			
20 ft	16 ft	17.5 ft	22.5 ft
40 ft	22 ft	35 ft	45 ft
Plain-end pipe			
20 ft	9 ft	17.5 ft	22.5 ft
40 ft	14 ft	35 ft	45 ft
50 ft	17.5 ft	43.8 ft	55 ft
60 ft	21 ft	52.5 ft	65 ft
80 ft	28 ft	70 ft	85 ft

Source: Specification for Line Pipe, API Specification 5L, 43rd edition, March 2004, pp. 11, 69.

Note: Line pipe may be produced to different lengths if agreed to by the purchaser and manufacturer.

Typically, LSAW is the more expensive form of CWLP. A summary of the cost differences among ERW, LSAW, and HSAW pipe produced in the United States is presented in table I-6.[40]

Table I-6
Certain welded line pipe: **Cost differences by manufacturing process**

Manufacturing method	Maximum outside diameter (inches)	Maximum length (feet)	Cost	Maximum pipe wall thickness (*inches*)
ERW	24	80	Least expensive production method	0.63
LSAW	48	40	Most expensive production method	1.25
HSAW	64	80		1.03

Source: Large Diameter Welded Pipe from China and India, Investigation Nos. 731-TA-593-594 and 731-TA-1402 and 1404 (Final), USITC Publication 4859, January 2019, p. I-21.

[40] Large Diameter Welded Pipe from China and India, Investigation Nos. 731-TA-593-594 and 731-TA-1402 and 1404 (Final), USITC Publication 4859, January 2019, p. I-21.

The API 5L specification allows for a number of line pipe manufacturing processes and permits both ERW and SAW processes in all grades and classes of line pipe. The Commission reported in the final investigations that 99 percent of domestically produced subject line pipe was made using ERW processes. That said, several domestic producers reportedly employ multiple production methods. The production method employed varies depending upon the pipe's desired outside diameter ("O.D.") and wall thickness, some of which maybe out-of-scope. All welded line pipe production includes forming, welding, and finishing operations but the details of these steps differ by production method as described below.

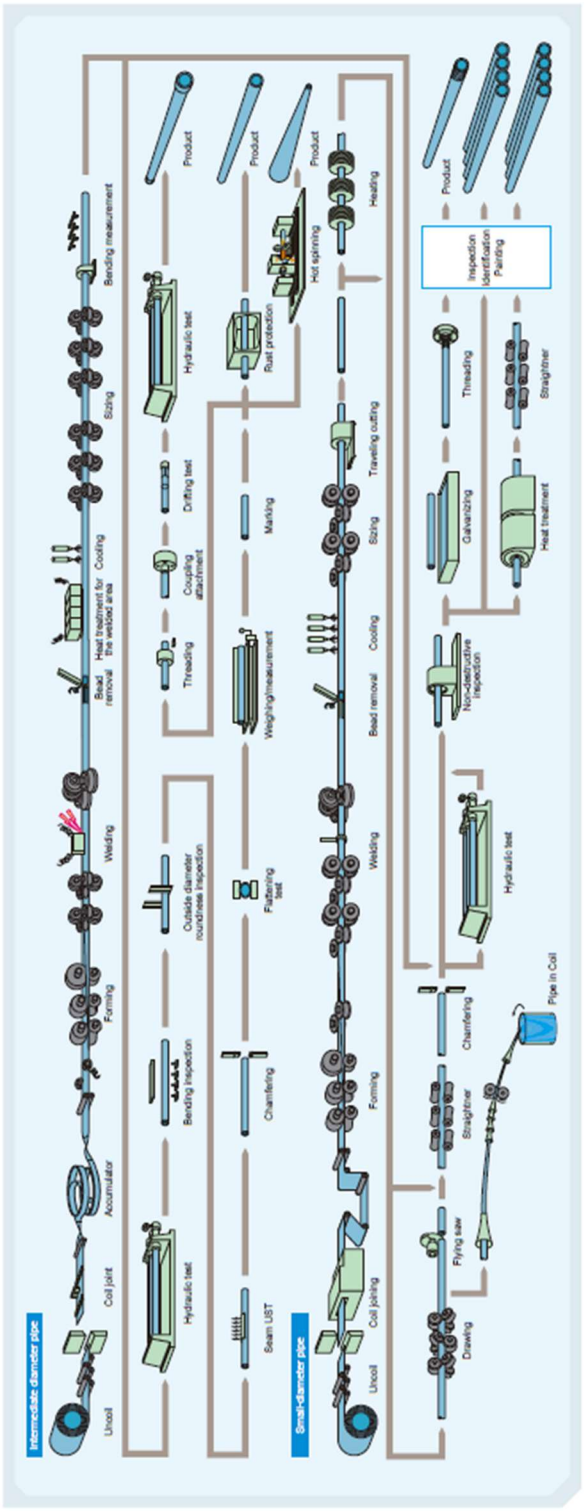
ERW manufacturing

ERW is the dominant manufacturing method for producing welded line pipe with an O.D. up to 24 inches;[41] and virtually all U.S. producers manufacturing such line pipe use the ERW method.[42] ERW pipe is formed from hot-rolled coil produced on a hot-strip mill. The forming stage of ERW pipe begins with a single-width strip, sometimes referred to as "skelp." The width of the strip is equal to the circumference of the pipe to be welded but the edges may be sheared to pre-specified widths. The lead end of each coil is squared for threading into the mill. The cold strip is continuously formed into a circular shape by shaped rolls. In the welding stage, the unwelded pipe is heated by electric resistance or electric induction to the desired temperature, then the formed edges are mechanically pressed together to form a seam. This welding process does not need a filler metal. Instead, the welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on the inside and the outside of the tube. This bead, or welding flash, is usually trimmed from both the inside and the outside surfaces. The pipe is then cut to length. Figure I-2 illustrates the ERW manufacturing process.

[41] Foreign respondents in other investigations reported that their ERW facilities can produce pipe up to 26 inches in outer diameter. Large Diameter Welded Pipe from China and India, Investigation Nos. 731-TA-593-594 and 731-TA-1402 and 1404 (Final), USITC Publication 4859, January 2019, p. I-21.

[42] HSAW and LSAW methods can be used to produce small diameter line pipe, but both methods have a cost disadvantage when compared to the ERW production process.

Figure I-2
Certain welded line pipe: ERW manufacturing process



Source: Nippon Steel & Sumitomo Metal Corp., Pipes and Tubes of Nippon Steel & Sumitomo Metal, p. 22, found at http://www.nssmc.com/en/product/pipe/index.html/, retrieved on December 21, 2020.

SAW manufacturing

Like ERW, the HSAW manufacturing method uses coiled hot-rolled steel strip as the starting material for formation of pipes. The coiled steel strip is loaded on a decoiler of the spiral pipe machine. The strip is straightened and edges are trimmed to the desired size. The strip is guided into a forming station to produce a cylindrical hollow body, at a predetermined forming angle, ensuring a proper welding gap between the abutting edges. Inside, and later, outside welding is performed by an automatic submerged arc process. Pipe produced by the HSAW process has some advantages compared to pipe produced by the ERW and LSAW processes. ERW and LSAW pipe diameters are limited by the maximum width of the available coil or plate. By contrast, HSAW pipe diameter is determined by the forming angle, during the formation of the cylindrical hollow body, allowing a pipe's diameter to be much larger than the width of the coiled steel input. In addition, HSAW pipe can generally be produced in lengths up to 80 feet, while LSAW pipe is limited to 40-foot lengths in most mills.

LSAW pipe is produced from cut-to-length steel plate. Each individual plate moves through various steps including (a) shearing and edge planing to ensure that the plate is flat and aligned so that the two edges of the steel plate are parallel and square with the ends, (b) crimping or bending of the plate edges in order to avoid a flat surface along the seam of the

pipe, and (c) bending the plate to the desired form. The two primary methods of shaping line pipe in the LSAW process are the pyramid rolling[43] and the U-O-E methods.[44]

LSAW pipe is welded with the metal edges heated with an electric arc between the edges and a consumable electrode or electrodes, which provide the filler metal. The weld is blanketed by a shield of granular, fusible flux to protect the hot weld from chemically reacting with the surrounding air. Pipes usually are welded on both the outside and inside of the same seam. Following the welding process, the left over scaly flux deposit is scraped away and the pipe is cleaned. The weld is then inspected to correct any defects. Specific heat treatments can be performed to achieve the desired physical properties for the weld section.

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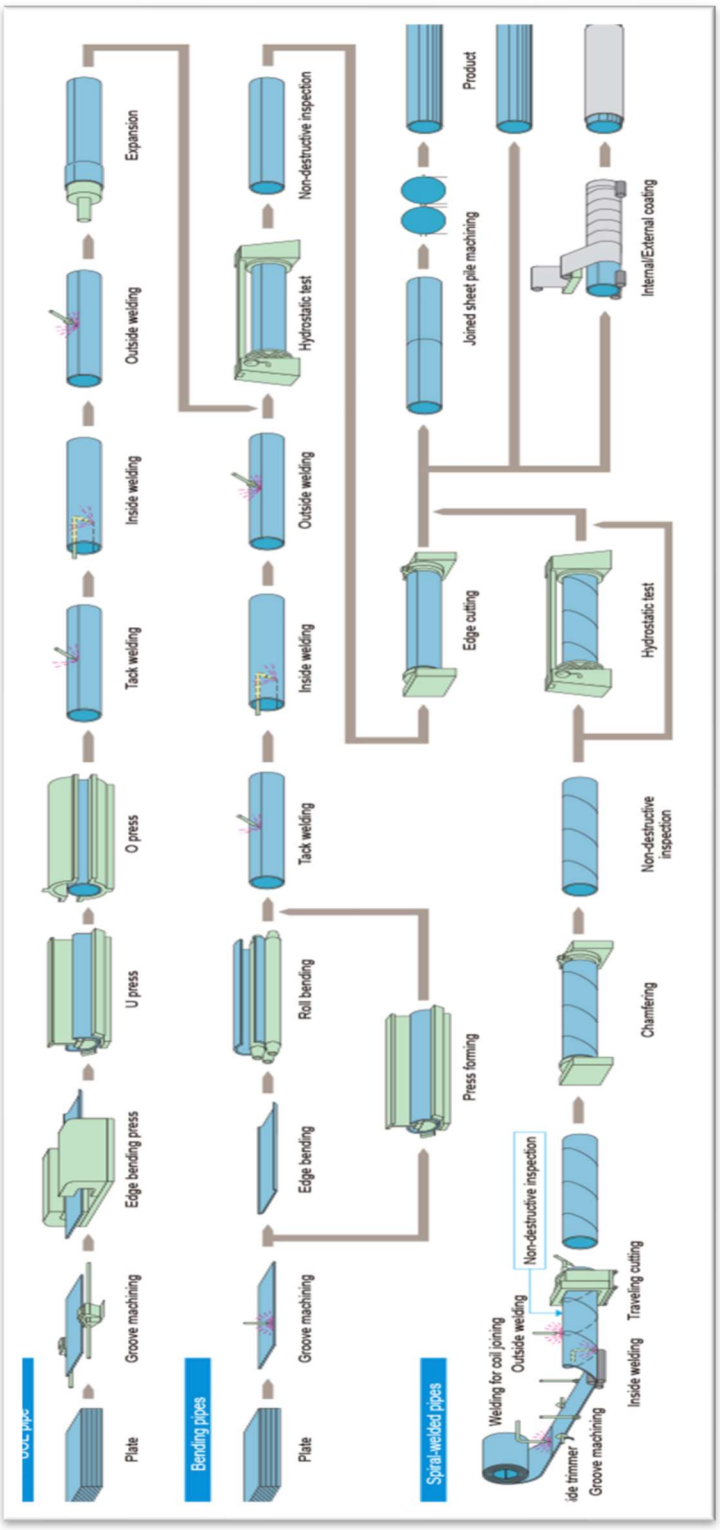
[43] The pyramid rolling machine consists of an elongated three-roll bending apparatus with the two bottom rolls fixed and the top roll movable along a vertical plane. The steel plate moves into position beneath the top roll and, through the proper combination of force and counterpressure, is shaped into a cylinder around the top roll. The edges of the pipe are formed by a continuous crimping machine, which prepares the edges for welding. When this is accomplished, the pipe is welded along the joint axis. In some cases, a second welding seam is welded along the axis, also known as double submerged arc welded. Double submerged arc welded ("DSAW") steel pipe is available in straight and spiral-welded formats and used in a variety of applications. The submerged welding process protects the steel from contamination by impurities in the air. Both inside and outside welds are performed. Spiral-welded steel pipe is distinguished by the manufacturing process that results in a spiral DSAW seam that lengthens the pipe by up to 155 feet. The most popular process for large diameter pipe uses a longitudinal seam weld. DSAW pipe is welded pipe whose longitudinal butt joint is welded in at least two passes, one of which is the inside of the pipe; the welds are made by heating with an electric arc between the bare metal electrodes. Pressure is not used. Filler metal for the welds is obtained from the electrodes. Finished pipes are normally 40 feet (12 m) and occasionally 60 feet (18 m) long, depending on the capacity of the pipe mill and the ease of transport to the pipeline. Finally, the pipe is sized to ensure that it meets specifications on roundness and diameter at the ends. The sizing machine consists of a top and bottom roll shaped to the desired configuration of the pipe. Pressure is applied on the top roll to exert a force on the pipe as it passes between the rolls. Certain Welded Large Diameter Line Pipe from Japan and Mexico, Investigation Nos. 731-TA-919 and 920, (Review), USITC Publication 3953, October 2007, p. E-28.

[44] In the U-O-E method, the plate is crimped by bending the edges upward; it then enters the U-press, where a die bends it into a "U" shape. Next, the "U" enters the O-press, where the walls of the "U" are forced together, resulting in an "O" shaped pipe. The pipe is then welded along the joint axis. To round the pipe and ensure proper yield strength (which may be reduced in the O-press), two methods of expansion can be used, mechanical or hydraulic. In the mechanical expander, the pipe is moved over a head mechanism with symmetrical segments that can exert force on the inside of the pipe causing it to expand. In the hydraulic expander, the pipe is closed at both ends, filled with water and then pressurized. Under high pressure, the pipe expands to fill outside dies of the desired size. Certain Welded Large Diameter Line Pipe from Japan and Mexico, Investigation Nos. 731-TA-919 and 920, (Review), USITC Publication 3953, October 2007, p. E-28.

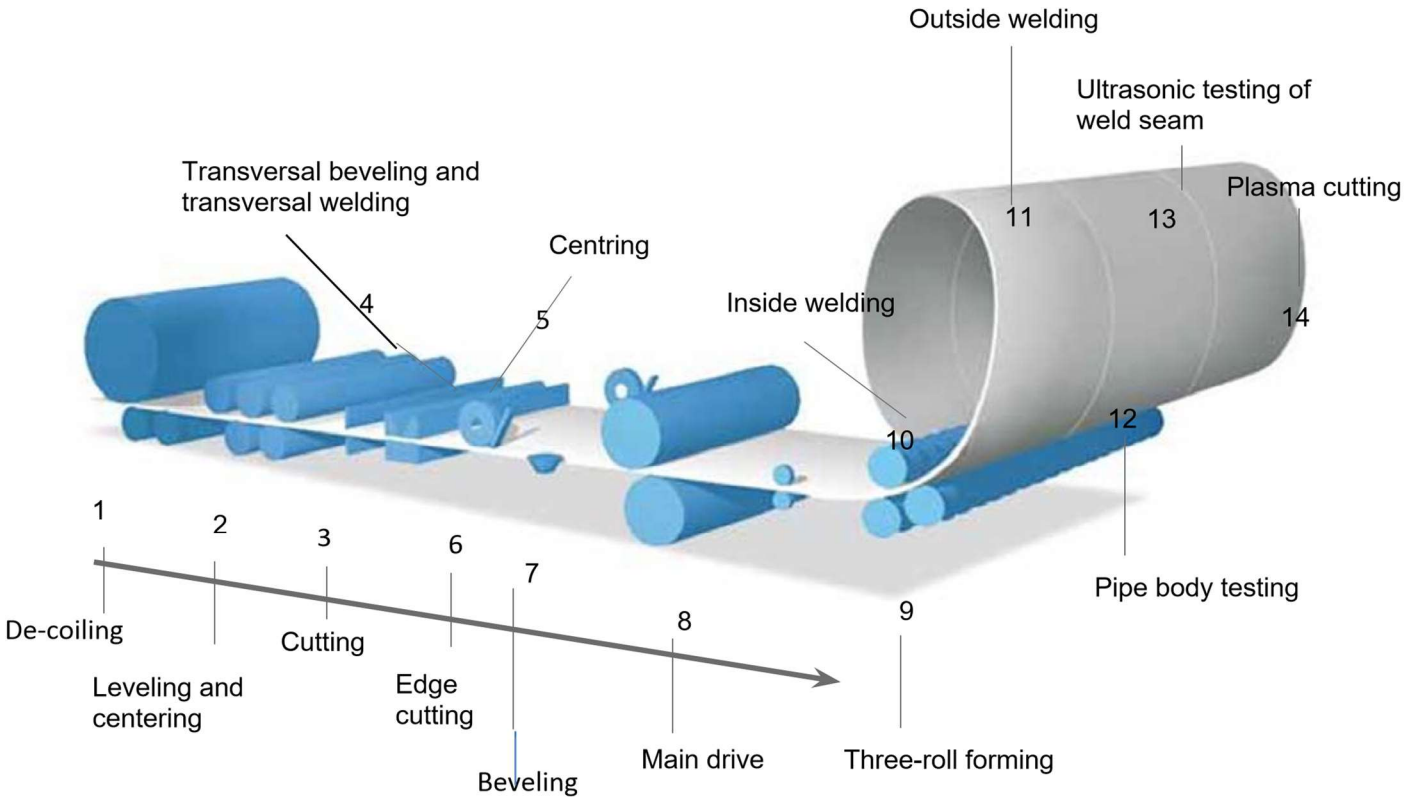
Subsequent to the welding stage, the final diameter for the pipe is obtained by means of a hydraulic press that forces the pipe shell against an outside retaining jacket. Alternatively, expansion can also be achieved mechanically by inserting a mandrel inside the pipe. Figures I-3 and I-4 illustrate the LSAW and HSAW manufacturing processes.

Figure I-3
Certain welded line pipe: LSAW and HSAW manufacturing processes



Source: Nippon Steel & Sumitomo Metal Corp., Pipes and Tubes of Nippon Steel & Sumitomo Metal, p. 27, found at http://www.nssmc.com/en/product/pipe/index.html/, retrieved on December 21, 2020.

Figure I-4
Certain welded line pipe: HSAW manufacturing process



Source: ArcelorMittal, Projects Europe: Spirally Welded Steel Pipe, p. 7, found at: http://sheetpiling.arcelormittal.com/uploads/files/AMP_Spirally%20welded%20steel%20pipes%202020 10.pdf retrieved December 21, 2020.

Testing and finishing stage

The sizing, testing, and finishing stage is similar in the ERW, LSAW, and HSAW manufacturing methods. Certain welded line pipe may be subject to various tests including hydrostatic testing and X-ray examination of the weld to detect any defects and, if necessary, would undergo finishing of the pipe ends, including beveling.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from 13 firms, which accounted for the vast majority of production of certain welded line pipe in the United States during 2014.[45]

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of 18 known and currently operating U.S. producers of certain welded line pipe. Nine firms providing U.S. industry data in response to the Commission's notice of institution accounted for at least *** percent of production of certain welded line pipe in the United States during 2019.[46]

Recent developments

Table I-7 presents events in the U.S. certain welded line pipe industry since the Commission's original investigations.

[45] Original publication, p. III-1.

[46] Domestic interested parties' response to the notice of institution, December 2, 2020, pp. 3-5 and 24, exh. 2; Domestic interested parties' response to cure letter, December 16, 2020, p. 2.

Table I-7
Certain welded line pipe: Recent developments in the U.S. industry

Item	Firm	Event
Plant opening	ACIPCO	In 2015, ACIPCO completed a new steel pipe processing facility.
Acquisition	Evraz	In 2015, Evraz North America acquired the assets of California-based United Spiral Pipe LLC for an undisclosed amount.
Closure	Evraz	In 2016, Evraz North America closed its Portland, Oregon, steel pipe plant indefinitely and laid off 230 employees. The company cited regulatory challenges and adverse market conditions for the closure.
Closure	Stupp	In 2016, Stupp Corporation announced 114 temporary layoffs at its plant in Baton Rouge, Louisiana. Stupp cited deteriorating oil and gas markets.
Closure	Welspun	In 2016, Welspun announced that it had laid off more than 100 employees at its Little Rock Port, Louisiana, steel pipe mill.
Closure	Dura-Bond	In 2017, Dura-Bond Industries temporarily laid off 180 employees at its Steelton, Pennsylvania, steel pipe mill.
Acquisition	Dura-Bond	In 2017, Dura-bond acquired and restarted U.S. Steel's ERW steel pipe mill in McKeesport, Pennsylvania, which is API 5L and ASTM certified.
Safeguard actions	N/A	In 2018, the U.S. government implemented tariffs on subject line pipe and input materials (coiled steel sheet). For more information, refer to the Section 232 tariff treatment subheading.
Planned expansion	Stupp	In 2019, Stupp Corp. announced plans to invest $22 million to upgrade its two steel pipe manufacturing plants in Baton Rouge, Louisiana.
Closure	Tenaris	In 2019, Tenaris announced that more than 90 employees were laid off at its ERW steel pipe mill in Hickman, Arkansas.
Import injury	N/A	In 2019, the United States Department of Commerce issued antidumping orders on large diameter welded pipe from Canada, China, Greece, India, Korea, and Turkey. Duties on imports from Korea and Turkey range from 1.57 to 18.28 percent.
Closure	Evraz	In 2020, Evraz North America temporarily laid off 232 employees at its Portland, Oregon, steel pipe mill due to declining market conditions caused by the ongoing Covid-19 pandemic.
Closure	Stupp	In 2020, Stupp announced layoffs of 300 employees at its Baton Rouge, Louisiana facility.

Source: American Metals Market news articles, news articles from other sources, Domestic interested parties' response to notice of institution, and petitioner's company websites.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.[47] Table I-8 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and these current five-year reviews.

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

Table I-8
Certain welded line pipe: Trade and financial data submitted by U.S. producers, 2012-14, and 2019

Item	2012	2013	2014	2019
Capacity (short tons)	2,289,640	2,242,464	2,255,820	2,837,794
Production (short tons)	1,623,657	1,307,979	1,295,467	1,208,699
Capacity utilization (percent)	70.9	58.3	57.4	37.3
U.S. shipments:				
Quantity (short tons)	1,571,236	1,225,052	1,215,711	1,212,966
Value ($1,000)	2,084,662	1,393,091	1,301,408	1,637,333
Unit value (dollars per short ton)	1,327	1,137	1,070	1,350
Net sales ($1,000)	2,128,943	1,475,287	1,382,851	1,627,488
COGS ($1,000)	1,736,440	1,353,421	1,294,717	1,438,437
COGS/net sales (percent)	81.6	91.7	93.6	88.4
Gross profit (loss) ($1,000)	392,503	121,866	88,134	144,829
SG&A expenses ($1,000)	93,547	95,811	87,817	98,079
Operating income (loss) ($1,000)	298,956	26,055	317	46,750
Operating income (loss)/net sales (percent)	14.0	1.8	0.0	2.9

Note: For a discussion of data coverage, please see “U.S. producers” section.

Note: Domestic interested parties confirmed that their 2019 total reported capacity was based on ***. Domestic interested parties’ response to cure letter, January 20, 2021, p.2.

Source: For the years 2012-14, data are compiled using data submitted in the Commission’s original investigations. For the year 2019, data are compiled using data submitted by domestic interested parties. Domestic interested parties’ response to cure letter, December 16, 2020, exh. 1; Domestic interested parties’ response to cure letter, January 20, 2021, p.2.

Definitions of the domestic like product and domestic industry

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

related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if "appropriate circumstances" exist.[48]

In its original determinations, the Commission defined a single domestic like product consisting of certain welded line pipe, coextensive with Commerce's scope, and it defined the domestic industry to include all U.S. producers of certain welded line pipe.[49] [50]

In the original investigations, domestic producer Tex-Tube was found to be a related party because it shared common ownership ***.[51] The Commission found that because Tex-Tube's principal interest was in domestic production, appropriate circumstances to exclude Tex-Tube from the domestic industry did not exist.[52] In these current reviews, ***. However, while ***.[53]

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 24 firms, which accounted for approximately 98.9 percent of total U.S. imports of certain welded line pipe from Korea and 78.9 percent from Turkey during 2014.[54] Import data presented in the original investigations are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the

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

[49] 85 FR 69354, November 2, 2020.

[50] The domestic interested parties agree with the domestic like product definition from the original investigations, although they reserve the right to "comment on the appropriate definitions during the course of this proceeding." Domestic interested parties' response to the notice of institution, December 2, 2020, pp. 28-29.

[51] Original confidential views, p. 10.

[52] Original publication, p. 8.

[53] Domestic interested parties' response to cure letter, December 16, 2020, p. 2.

[54] Original publication, p. IV-1.

domestic interested parties provided a list of 41 potential U.S. importers of certain welded line pipe.[55]

U.S. imports

Table I-9 presents the quantity, value, and unit value of U.S. imports from Korea and Turkey as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity).

Table I-9
Certain welded line pipe: U.S. imports, 2015-19

Item	2015	2016	2017	2018	2019
	Quantity (short tons)				
Korea	695,313	400,663	648,250	399,119	336,006
Turkey	29,513	2,455	136	962	28
Subtotal, subject	724,826	403,118	648,386	400,081	336,034
Mexico	54,117	39,594	125,149	153,984	94,040
Germany	44,983	38,184	137,077	119,989	87,296
Taiwan	43,561	51,617	62,535	107,011	57,662
Greece	43,451	79,137	6,950	68,884	48,893
Japan	61,974	104,668	20,108	10,957	38,947
United Kingdom	12,311	4,135	36,421	26,738	16,028
Canada	44,508	4,284	8,445	21,506	2,678
All other sources	86,403	28,882	48,007	101,503	187,854
Subtotal, nonsubject	391,308	350,501	444,691	610,572	533,398
Total imports	1,116,134	753,619	1,093,077	1,010,653	869,432
	Landed, duty-paid value ($1,000)				
Korea	501,926	202,204	444,601	319,094	294,967
Turkey	33,340	10,460	657	1,344	43
Subtotal, subject	535,266	212,663	445,258	320,439	295,010
Mexico	52,382	33,269	113,999	191,312	102,316
Germany	51,130	30,969	121,834	154,329	121,585
Taiwan	30,218	24,625	39,679	96,251	60,953
Greece	44,999	67,168	4,753	65,208	66,307
Japan	61,626	78,129	17,679	11,072	47,253
United Kingdom	11,473	4,680	26,649	27,298	18,299
Canada	44,894	3,330	8,839	30,776	1,632
All other sources	66,278	23,922	37,960	92,705	185,517
Subtotal, nonsubject	362,998	266,094	371,392	668,952	603,862
Total imports	898,264	478,757	816,650	989,391	898,872

Table continued on next page.

[55] Domestic interested parties' response to the notice of institution, December 2, 2020, exh. 26; Domestic interested parties' response to cure letter, December 16, 2020, p. 2.

Table I-9--Continued
Certain welded line pipe: U.S. imports, 2015-19

Item	2015	2016	2017	2018	2019
	Unit value (dollars per short ton)				
Korea	722	505	686	799	878
Turkey	1,130	4,260	4,833	1,398	1,556
Subtotal, subject	738	528	687	801	878
Mexico	968	840	911	1,242	1,088
Germany	1,137	811	889	1,286	1,393
Taiwan	694	477	635	899	1,057
Greece	1,036	849	684	947	1,356
Japan	994	746	879	1,010	1,213
United Kingdom	932	1,132	732	1,021	1,142
Canada	1,009	777	1,047	1,431	609
All other sources	767	828	791	913	988
Subtotal, nonsubject	928	759	835	1,096	1,132
Total imports	805	635	747	979	1,034

Note: In May 2019, imports of certain large diameter welded pipe from Canada, Greece, and Korea, became subject to AD/CVD orders.

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7305.11.1030, 7305.12.1030, 7305.19.1030, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150, accessed December 17, 2020. These data may be overstated as HTS statistical reporting numbers may contain products outside the scope of these reviews.

Apparent U.S. consumption and market shares

Table I-10 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-10
Certain welded line pipe: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2012-14 and 2019

Item	2012	2013	2014	2019
	Quantity (short tons)			
U.S. producers' U.S. shipments	1,571,236	1,225,052	1,215,711	1,212,966
U.S. imports from—				
Korea	748,536	722,802	773,432	336,006
Turkey	66,472	66,025	78,565	28
Subtotal, subject	815,007	788,827	851,997	336,034
All other sources	901,143	512,698	460,471	533,398
Total imports	1,716,150	1,301,525	1,312,468	869,432
Apparent U.S. consumption	3,287,386	2,526,577	2,528,179	2,082,398
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	2,084,662	1,393,091	1,301,408	1,637,333
U.S. imports from—				
Korea	711,071	602,512	596,491	294,967
Turkey	57,744	51,901	72,289	43
Subtotal, subject	768,815	654,413	668,779	295,010
All other sources	1,107,167	551,577	416,742	603,862
Total imports	1,875,982	1,205,990	1,085,521	898,872
Apparent U.S. consumption	3,960,644	2,599,081	2,386,929	2,536,205
	Share of consumption based on quantity (percent)			
U.S. producer's share	47.8	48.5	48.1	58.2
U.S. imports from.--				
Korea	22.8	28.6	30.6	16.1
Turkey	2.0	2.6	3.1	0.0
Subtotal, subject	24.8	31.2	33.7	16.1
All other sources	27.4	20.3	18.2	25.6
Total imports	52.2	51.5	51.9	41.8
	Share of consumption based on value (percent)			
U.S. producer's share	52.6	53.6	54.5	64.6
U.S. imports from.--				
Korea	18.0	23.2	25.0	11.6
Turkey	1.5	2.0	3.0	0.0
Subtotal, subject	19.4	25.2	28.0	11.6
All other sources	28.0	21.2	17.5	23.8
Total imports	47.4	46.4	45.5	35.4

Table notes continued on next page.

Table I-10--Continued
Certain welded line pipe: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2012-14, and 2019

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

Source: For the years 2012-14, data are compiled using data submitted in the Commission's original investigations. For the year 2019, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics.

Cumulation considerations[56]

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.[57]

Imports of certain welded line pipe from Korea were reported in 60 of the 60 months from 2015 to 2019. Imports from Turkey were reported in 38 of 60 months from 2015 to 2019. In 2019, imports from Turkey were only reported from January through March.

[56] Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting numbers 7305.11.1030, 7305.12.1030, 7305.19.1030, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150.

[57] In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

Imports from Korea entered through northern,[58] southern,[59] eastern,[60] and western[61] borders of entry in all years from 2015 through 2019. In 2019, 88.5 percent of imports from Korea entered through southern borders of entry. Imports from Turkey entered only through eastern and southern borders in all years from 2015 through 2019.

[58] The "North" includes the following Customs entry districts: Chicago, Illinois; Cleveland, Ohio; Detroit, Michigan; Duluth, Minnesota; Great Falls, Montana; Milwaukee, Wisconsin; Minneapolis, Minnesota; and Pembina, North Dakota. The "South" includes the following Customs entry districts: Dallas-Fort Worth, Texas; El Paso, Texas; Houston-Galveston, Texas; Laredo, Texas; Miami, Florida; Mobile, Alabama; New Orleans, Louisiana; and Tampa, Florida.

[59] The "South" includes the following Customs entry districts: Dallas-Fort Worth, Texas; El Paso, Texas; Houston-Galveston, Texas; Laredo, Texas; Miami, Florida; Mobile, Alabama; New Orleans, Louisiana; and Tampa, Florida.

[60] The "East" includes the following Customs entry districts: Baltimore, Maryland; Boston, Massachusetts; Buffalo, New York; Charleston, South Carolina; Charlotte, North Carolina; New York, New York; Norfolk, Virginia; Ogdensburg, New York; Philadelphia, Pennsylvania; Portland, Maine; San Juan, Puerto Rico; Savannah, Georgia; St. Albans, Vermont; and Washington, District of Columbia.

[61] The "West" includes the following Customs entry districts: Columbia-Snake, Oregon; Honolulu, Hawaii; Los Angeles, California; Nogales, Arizona; San Diego, California; San Francisco, California; and Seattle, Washington.

The industry in Korea

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from six firms in Korea. A comparison of those responding firms' export data to official Commerce import statistics showed that in 2014 reported exports to the United States were equivalent to *** percent of U.S. imports from Korea.[62]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 37 possible producers of certain welded line pipe in Korea.[63]

Table I-11 presents events in the industry in Korea since the original investigations.

Table I-11
Certain welded line pipe: Recent developments in the industry in Korea

Item	Firm	Event
Plant opening	EEW Korea Co., Ltd	Opened second tubular plant in 2015.

Source: Domestic interested parties' response to the notice of institution, December 2, 2020, p. 16.

[62] Original confidential report, p. VII-3.

[63] Domestic interested parties' response to the notice of institution, December 2, 2020, exh. 27.

Table I-12 presents export data for line pipe for oil and gas pipelines, a category that includes certain welded line pipe and out-of-scope products, from Korea (by export destination in descending order of quantity for 2019).

Table I-12
Line pipe: Exports from Korea, by destination, 2015-19

Item	Calendar year				
	2015	2016	2017	2018	2019
	Quantity (short tons)				
United States	646,657	524,437	750,220	435,469	308,878
Canada	18,638	37,113	68,062	139,717	88,285
Iraq	14,619	13,339	4,608	14,882	45,788
Vietnam	27,466	21,202	30,013	21,230	27,894
United Arab Emirates	44,903	29,067	68,491	33,735	23,211
Singapore	13,276	42,034	8,456	16,864	15,941
Bahrain	201	225	4,641	465	14,548
Oman	18,438	4,993	19,235	16,381	14,053
Malaysia	5,258	15,460	8,683	9,934	12,703
Saudi Arabia	3,587	7,406	732	2,773	11,072
All other	209,600	186,804	200,000	223,143	88,039
Total	1,002,642	882,083	1,163,140	914,592	650,414

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7305.11, 7305.12, 7305.19, and 7306.19, accessed January 8, 2020. These data may be overstated as HTS subheadings used to gather information on certain welded line pipe may contain products outside the scope of these reviews.

The industry in Turkey

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from four firms in Turkey. A comparison of those responding firms' export data to official Commerce import statistics showed that in 2014 reported exports to the United States were equivalent to *** percent of U.S. imports from Turkey.[64]

Although the Commission did not receive responses from any respondent interested party in these five-year reviews, the domestic interested parties provided a list of 19 possible producers of certain welded line pipe in Turkey.[65]

Table I-13 presents events in the industry in Turkey since the original investigations.

Table I-13
Certain welded line pipe: Recent developments in the industry in Turkey

Item	Firm	Event
Plant opening	Cimtas Pipe	Started operating new LSAW pipe plant in July 2017.
Plant opening	Tosçelik Profil ve Sac Endüstrisi A.Ş.	Commissioned new ERW pipe manufacturing facility in 2016.
Acquisition	Erciyas Holding	Acquired Ozbal Steel Pipe.

Source: Domestic interested parties' response to the notice of institution, December 2, 2020, pp. 17-18.

[64] Original confidential report, p. VII-10-11.

[65] Domestic interested parties' response to the notice of institution, December 2, 2020, exh. 27.

Table I-14 presents export data for line pipe for oil and gas pipelines, a category that includes certain welded line pipe and out-of-scope products, from Turkey (by export destination in descending order of quantity for 2019).

Table I-14
Line pipe: Exports from Turkey, by destination, 2015-19

Item	Calendar year				
	2015	2016	2017	2018	2019
	Quantity (short tons)				
Romania	4,809	585	2,778	79,111	51,827
Canada	0	0	349	10,794	32,120
Saudi Arabia	315	987	1	11,906	25,797
Slovakia	0	0	0	0	24,644
Israel	14,410	1,491	30,188	18,642	22,353
Gabon	1,678	0	2,826	0	16,923
Turkmenistan	24,232	45,025	419	682	15,686
Moldova	0	0	0	0	12,982
Croatia	97	13	0	901	11,508
Egypt	49,081	16,618	26,052	10,728	8,361
All other	291,022	274,255	128,964	249,039	55,955
Total	385,642	338,971	191,577	381,801	278,155

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7305.11, 7305.12, 7305.19, and 7306.19, accessed January 8, 2020. These data may be overstated as HTS subheadings used to gather information on certain welded line pipe may contain products outside the scope of these reviews.

Antidumping or countervailing duty orders in third-country markets

Canadian authorities have placed antidumping duty orders on certain welded line pipe from Korea.[66] The Canadian orders cover carbon and alloy steel line pipe imported under the following HTS subheadings: 7305.11, 7305.12, 7305.19, and 7306.19.[67] The original Canadian investigation, which concluded on January 4, 2018, resulted in antidumping duties on Korean exporters ranging from 4.1 to 88.1 percent.[68] Two Korean manufacturers subject to these orders are currently participating in normal value reviews as of December 23, 2020.[69]

The global market

Table I-15 presents global export data for line pipe, a category that includes the subject certain welded line pipe as well as out-of-scope products, (by source in descending order of quantity for 2019).

[66] The investigation's subject product was defined as carbon and allow steel line pipe with an O.D. between 2.375 and 24 inches. Canada Border Services Agency, Certain Carbon and Alloy Steel Line Pipe: Statement of Reasons, Inv. No. LP2 2017 IN, December 20, 2017, https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/lp22017/lp22017-fd-eng.html, retrieved December 23, 2020; and Canadian International Trade Tribunal, Carbon and Alloy Steel Line Pipe, Inquiry No. NQ-2017-002, January 19, 2018, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/354809/index.do#_Toc505690140, retrieved December 23, 2020.

[67] The antidumping duty orders also include HTS subheading 7304.19, which does not fall under the scope of these reviews.

[68] Canada Border Services Agency, Certain Carbon and Alloy Steel Line Pipe: Statement of Reasons, Inv. No. LP2 2017 IN, December 20, 2017, https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/lp22017/lp22017-fd-eng.html, retrieved December 23, 2020.

[69] Canada Border Services Agency, "Normal Value Reviews," https://www.cbsa-asfc.gc.ca/sima-lmsi/up/menu-eng.html, retrieved December 23, 2020.

Table I-15
Line pipe: Global exports by major sources, 2015-19

Country	Calendar year				
	2015	2016	2017	2018	2019
	Quantity (short tons)				
Finland	1	0	67	776,976	1,785,928
China	1,941,609	1,446,948	1,200,120	1,247,382	1,245,493
Sweden	238	116	25	104,444	924,383
Russia	177,832	354,319	1,075,084	1,052,165	755,367
Korea	1,002,642	882,083	1,163,140	914,592	650,414
India	699,221	814,315	1,074,994	623,204	547,006
Japan	620,598	718,641	800,409	574,267	492,836
Germany	557,406	716,788	805,393	943,432	460,771
Turkey	385,642	338,971	191,577	381,801	278,155
Greece	315,293	167,118	201,748	468,474	251,837
All other	2,972,893	1,371,041	1,849,484	1,924,050	1,265,217
Total	8,673,375	6,810,340	8,362,042	9,010,787	8,657,407

Note: Because of rounding, figures may not add to total shown. Finland, Sweden, and to a lesser extent other nations report line pipe used in the Nordstream pipelines projects as exports. These shipments may be re-exports. According to the World Steel Association, Finland and Sweden have not produced welded tubular goods since 2012. World Steel Association, "Steel Statistical Yearbook 2018," https://www.worldsteel.org/steel-by-topic/statistics/steel-statistical-yearbook.html, retrieved December 23, 2020.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7305.11, 7305.12, 7305.19, and 7306.19. These data may be overstated as HTS subheadings used to gather information on certain welded line pipe may contain products outside the scope of these reviews.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
85 FR 69354, November 2, 2020	*Welded Line Pipe From Korea and Turkey; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2020-11-02/pdf/2020-24218.pdf
85 FR 69585, November 3, 2020	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2020-11-03/pdf/2020-24304.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Item	ACIPCO	Axis Pipe and Tube	California Steel Industries	IPSCO Tubulars Inc.	Maverick Tube Corporation
	Quantity=short tons; value=1,000 dollars				
Nature of operation	***	***	***	***	***
Statement of intent to participate	***	***	***	***	***
Statement of likely effects of revoking the order	***	***	***	***	***
U.S. producer list	***	***	***	***	***
U.S. importer/foreign producer list	***	***	***	***	***
List of 3-5 leading purchasers	***	***	***	***	***
List of sources for national/regional prices	***	***	***	***	***
Production	***	***	***	***	***
Capacity	***	***	***	***	***
Commercial shipments:					
Quantity	***	***	***	***	***
Value	***	***	***	***	***
Internal consumption/company transfers:					
Quantity	***	***	***	***	***
Value	***	***	***	***	***
Net sales	***	***	***	***	***
COGS	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***
SG&A expenses	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***
Changes in supply/demand	***	***	***	***	***
Note: The production, capacity, and shipment data presented are for calendar year 2019. The financial data are for fiscal year ended December 31. ***					

Table continued on next page.

RESPONSE CHECKLIST FOR U.S. PRODUCERS--CONTINUED

Item	Stupp Corporation	Tex-Tube	Welspun Tubular LLC	Wheatland Tube Company	Total
	Quantity=short tons; value=1,000 dollars				
Nature of operation	***	***	***	***	***
Statement of intent to participate	***	***	***	***	***
Statement of likely effects of revoking the order	***	***	***	***	***
U.S. producer list	***	***	***	***	***
U.S. importer/foreign producer list	***	***	***	***	***
List of 3-5 leading purchasers	***	***	***	***	***
List of sources for national/regional prices	***	***	***	***	***
Production	***	***	***	***	1,208,699
Capacity	***	***	***	***	2,837,794
Commercial shipments:					
Quantity	***	***	***	***	1,212,966
Value	***	***	***	***	1,637,333
Internal consumption/company transfers:					
Quantity	***	***	***	***	***
Value	***	***	***	***	***
Net sales	***	***	***	***	1,627,488
COGS	***	***	***	***	1,438,437
Gross profit or (loss)	***	***	***	***	144,829
SG&A expenses	***	***	***	***	98,079
Operating income or (loss)	***	***	***	***	46,750
Changes in supply/demand	***	***	***	***	***

Note: The production, capacity, and shipment data presented are for calendar year 2019. The financial data are for fiscal year ended December 31 except for * for which financial data is based on a fiscal year ending March 31 and *** for which financial data is based on a fiscal year ending August 30.**

Note: Data are presented as provided by Domestic Interested Parties and appear to contain a discrepancy regarding the gross profit of *.**

***

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1
Line pipe: Summary data concerning the U.S. market, 2012-14, January to June 2014, and January to June 2015
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short tons; Period changes=percent--exceptions noted)

	Report data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2012	2013	2014	2014	2015	2012-14	2012-13	2013-14	2014-15
U.S. consumption quantity:									
Amount	3,287,386	2,526,577	2,528,179	1,199,240	1,188,355	(23.1)	(23.1)	0.1	(0.9)
Producers' share (fn1)	47.8	48.5	48.1	49.9	34.8	0.3	0.7	(0.4)	(15.0)
Importers' share (fn1):									
Korea	22.8	28.6	30.6	29.7	42.3	7.8	5.8	2.0	12.6
Turkey	2.0	2.6	3.1	2.5	2.4	1.1	0.6	0.5	(0.1)
Subject sources	24.8	31.2	33.7	32.2	44.6	8.9	6.4	2.5	12.5
All others sources	27.4	20.3	18.2	18.0	20.5	(9.2)	(7.1)	(2.1)	2.6
Total imports	52.2	51.5	51.9	50.1	65.2	(0.3)	(0.7)	0.4	15.0
U.S. consumption value:									
Amount	3,960,644	2,599,081	2,386,929	1,134,605	1,082,711	(39.7)	(34.4)	(8.2)	(4.6)
Producers' share (fn1)	52.6	53.6	54.5	56.3	41.0	1.9	1.0	0.9	(15.3)
Importers' share (fn1):									
Korea	18.0	23.2	25.0	24.0	35.7	7.0	5.2	1.8	11.8
Turkey	1.5	2.0	3.0	2.8	2.7	1.6	0.5	1.0	(0.1)
Subject sources	19.4	25.2	28.0	26.7	38.4	8.6	5.8	2.8	11.7
All others sources	28.0	21.2	17.5	17.0	20.6	(10.5)	(6.7)	(3.8)	3.6
Total imports	47.4	46.4	45.5	43.7	59.0	(1.9)	(1.0)	(0.9)	15.3
U.S. imports from.--									
Korea:									
Quantity	748,536	722,802	773,432	355,827	502,414	3.3	(3.4)	7.0	41.2
Value	711,071	602,512	596,491	271,974	387,052	(16.1)	(15.3)	(1.0)	42.3
Unit value	$950	$834	$771	$764	$770	(18.8)	(12.3)	(7.5)	0.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Turkey									
Quantity	66,472	66,025	78,565	29,848	27,944	18.2	(0.7)	19.0	(6.4)
Value	57,744	51,901	72,289	31,238	28,986	25.2	(10.1)	39.3	(7.2)
Unit value	$869	$786	$920	$1,047	$1,037	5.9	(9.5)	17.1	(0.9)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	815,007	788,827	851,997	385,675	530,358	4.5	(3.2)	8.0	37.5
Value	768,815	654,413	668,779	303,212	416,038	(13.0)	(14.9)	2.2	37.2
Unit value	$943	$830	$785	$786	$784	(16.8)	(12.1)	(5.4)	(0.2)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	901,143	512,698	460,471	215,364	243,953	(48.9)	(43.1)	(10.2)	13.3
Value	1,107,167	551,577	416,742	193,055	223,013	(62.4)	(50.2)	(24.4)	15.5
Unit value	$1,229	$1,076	$905	$896	$914	(26.3)	(12.4)	(15.9)	2.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Total imports:									
Quantity	1,716,150	1,301,525	1,312,468	601,039	774,312	(23.5)	(24.2)	0.8	28.8
Value	1,875,982	1,205,990	1,085,521	496,267	639,051	(42.1)	(35.7)	(10.0)	28.8
Unit value	$1,093	$927	$827	$826	$825	(24.3)	(15.2)	(10.7)	(0.0)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	2,289,640	2,242,464	2,255,820	1,170,124	1,135,857	(1.5)	(2.1)	0.6	(2.9)
Production quantity	1,623,657	1,307,979	1,295,467	682,584	473,677	(20.2)	(19.4)	(1.0)	(30.6)
Capacity utilization (fn1)	70.9	58.3	57.4	58.3	41.7	(13.5)	(12.6)	(0.9)	(16.6)
U.S. shipments:									
Quantity	1,571,236	1,225,052	1,215,711	598,201	414,043	(22.6)	(22.0)	(0.8)	(30.8)
Value	2,084,662	1,393,091	1,301,408	638,338	443,660	(37.6)	(33.2)	(6.6)	(30.5)
Unit value	$1,327	$1,137	$1,070	$1,067	$1,072	(19.3)	(14.3)	(5.9)	0.4
Export shipments:									
Quantity	38,089	69,232	72,074	35,649	9,888	89.2	81.8	4.1	(72.3)
Value	44,809	68,824	72,827	35,846	10,269	62.5	53.6	5.8	(71.4)
Unit value	$1,176	$994	$1,010	$1,006	$1,039	(14.1)	(15.5)	1.6	3.3
Ending inventory quantity	102,614	109,636	111,303	156,977	157,206	8.5	6.8	1.5	0.1
Inventories/total shipments (fn1)	6.4	8.5	8.6	12.4	18.5	2.3	2.1	0.2	6.2
Production workers	2,319	2,010	2,038	2,160	1,629	(12.1)	(13.3)	1.4	(24.6)
Hours worked (1,000s)	4,875	3,971	3,957	2,132	1,607	(18.8)	(18.5)	(0.4)	(24.6)
Wages paid ($1,000)	130,108	109,673	103,839	57,723	42,115	(20.2)	(15.7)	(5.3)	(27.0)
Hourly wages (dollars)	$26.69	$27.62	$26.24	$27.07	$26.21	(1.7)	3.5	(5.0)	(3.2)
Productivity (short tons per hour)	333.1	329.4	327.4	320.2	294.8	(1.7)	(1.1)	(0.6)	(7.9)
Unit labor costs	$80.13	$83.85	$80.16	$84.57	$88.91	0.0	4.6	(4.4)	5.1
Net Sales:									
Quantity	1,610,012	1,308,425	1,293,531	633,851	423,930	(19.7)	(18.7)	(1.1)	(33.1)
Value	2,128,943	1,475,287	1,382,851	674,184	453,930	(35.0)	(30.7)	(6.3)	(32.7)
Unit value	$1,322	$1,128	$1,069	$1,064	$1,071	(19.2)	(14.7)	(5.2)	0.7
Cost of goods sold (COGS)	1,736,440	1,353,421	1,294,717	637,095	427,954	(25.4)	(22.1)	(4.3)	(32.8)
Gross profit or (loss)	392,503	121,866	88,134	37,089	25,976	(77.5)	(69.0)	(27.7)	(30.0)
SG&A expenses	93,547	95,811	87,817	42,273	40,419	(6.1)	2.4	(8.3)	(4.4)
Operating income or (loss)	298,956	26,055	317	(5,184)	(14,443)	fn2	(91.3)	fn2	178.6
Net income or (loss)	277,316	8,273	(14,725)	(14,116)	(20,397)	fn2	(97.0)	fn2	44.5
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	$1,079	$1,034	$1,001	$1,005	$1,009	(7.2)	(4.1)	(3.2)	0.4
Unit SG&A expenses	$58	$73	$68	$67	$95	16.8	26.0	(7.3)	43.0
Unit operating income or (loss)	$186	$20	$0	$(8)	$(34)	fn2	(89.3)	fn2	316.6
Unit net income or (loss)	$172	$6	$(11)	$(22)	$(48)	fn2	(96.3)	fn2	116.0
COGS/sales (fn1)	81.6	91.7	93.6	94.5	94.3	12.1	10.2	1.9	(0.2)
Operating income or (loss)/sales (fn1)	14.0	1.8	0.0	(0.8)	(3.2)	(14.0)	(12.3)	(1.7)	(2.4)
Net income or (loss)/sales (fn1)	13.0	0.6	(1.1)	(2.1)	(4.5)	(14.1)	(12.5)	(1.6)	(2.4)

fn1.--Report data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics (for details see part IV).

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following six firms as the top purchasers of welded line pipe: ***. Purchaser questionnaires were sent to these six firms and no firms provided responses to the following questions, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for welded line pipe that have occurred in the United States or in the market for welded line pipe in Korea and/or Turkey since December 2, 2015?

2. Do you anticipate any significant changes in the supply and demand conditions for welded line pipe in the United States or in the market for welded line pipe in Korea and/or Turkey within a reasonably foreseeable time?