

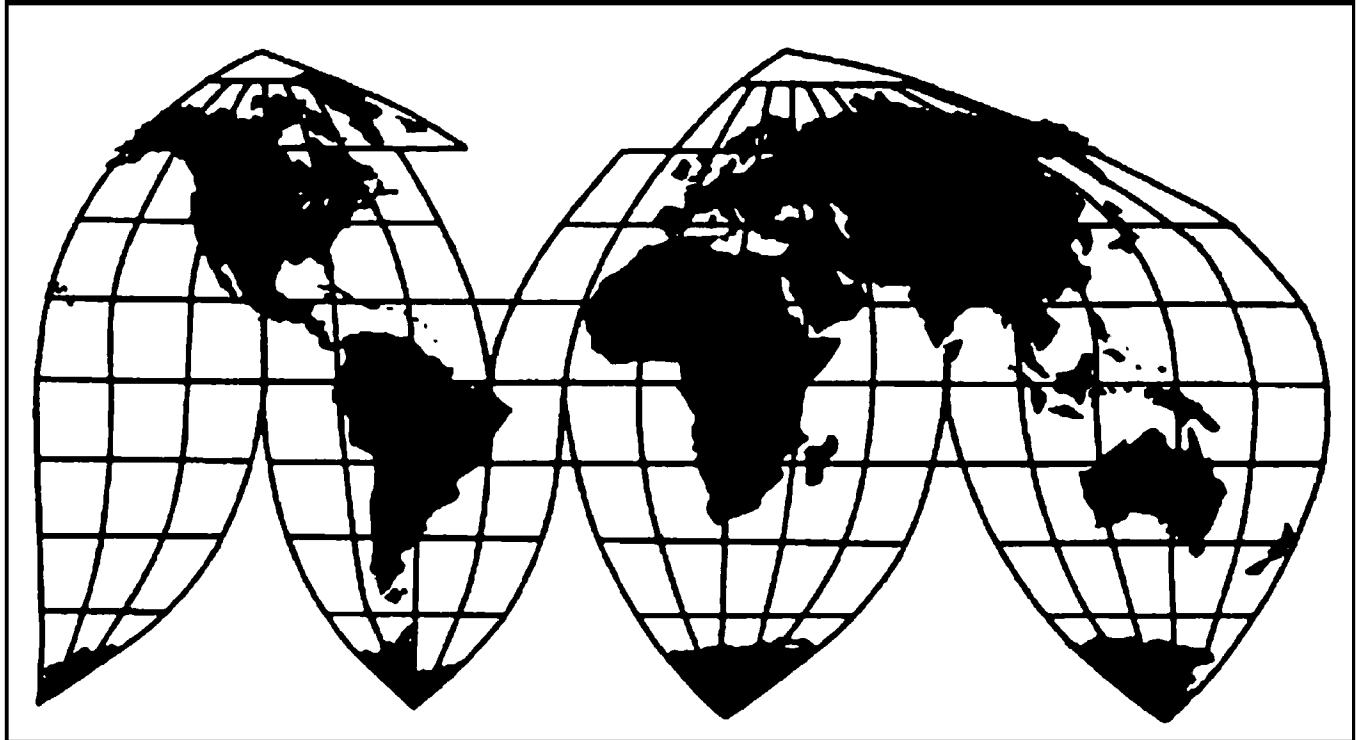
Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China

Investigation Nos. 701-TA-469 and 731-TA-1168 (Second Review)

Publication 5229

September 2021

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-469 and 731-TA-1168 (Second Review)

Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing and antidumping duty orders on certain seamless carbon and alloy steel standard, line, and pressure pipe from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on February 1, 2021 (86 FR 7740) and determined on May 7, 2021 that it would conduct expedited reviews (86 FR 36771, July 13, 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 antidumping and countervailing duty orders on certain seamless carbon and alloy steel standard, line, and pressure pipe (“seamless SLP pipe”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations: In November 2010, the Commission determined that an industry in the United States was threatened with material injury by reason of imports of seamless SLP pipe from China sold at less-than-fair value (“LTFV”) and subsidized by the Government of China.¹ The U.S. Department of Commerce (“Commerce”) issued antidumping and countervailing duty orders on seamless SLP pipe from China on November 10, 2010.²

First Reviews. The Commission instituted its first five-year reviews on October 1, 2015.³ After conducting expedited reviews, the Commission determined on March 2, 2016, that revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.⁴ Commerce issued notices of continuation of the antidumping and countervailing duty orders, effective March 16, 2016.⁵

¹ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final), USITC Pub. 4190 (November 2010) (“*Original Determination*”). Commissioner Charlotte R. Lane determined the domestic industry was materially injured by reason of subject imports. *Id.* at 31.

² *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 Fed. Reg. 69050 (Nov. 10, 2010); *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 75 Fed. Reg. 69052 (Nov. 10, 2010).

³ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China; Institution of Five-Year Reviews*, 80 Fed. Reg. 59183 (Oct. 1, 2015).

⁴ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, 81 Fed. Reg. 11837 (Mar. 7, 2016); *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Inv. Nos. 701-TA-469 and 731-TA-1168 (Review), USITC Pub. 4595 (February 2016) (“*First Review Determination*”) at 3.

⁵ *Certain Seamless Carbon Alloy Steel Standard Line and Pressure Pipes From the People's Republic of China: Continuation of Antidumping Duty Order and Countervailing Duty Order*, 81 Fed. Reg. 14089 (Mar. 16, 2016).

The Current Reviews. The Commission instituted these second five-year reviews on February 1, 2021.⁶ It received a joint response to the notice of institution from United States Steel Corporation (“U.S. Steel”); Vallourec Star, L.P. (“Vallourec”); BENTELER Steel/Tube Manufacturing Corp. (“BENTELER”); and Tenaris Bay City, Inc. (“Tenaris”)/IPSCO Tubulars Inc. (“IPSCO”) (collectively, “domestic producers”).⁷ The Commission did not receive a response to the notice of institution from any respondent interested party. On May 7, 2021, the Commission determined that the domestic interested party group response to its notice of institution was adequate.⁸ In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant full reviews, the Commission determined that it would conduct expedited reviews of the orders.⁹ Domestic producers filed comments supporting affirmative determinations pursuant to Commission rule 207.62(d)(1).¹⁰

U.S. industry data are based on information submitted by the four responding domestic producers, which accounted for approximately *** percent of U.S. production of seamless SLP pipe in 2020, and information contained in the Commission’s public report from the recent final phase antidumping duty investigation of seamless SLP Pipe from Czechia, which includes data from five domestic seamless SLP pipe producers that accounted for “the majority of U.S. production of {seamless SLP pipe} in 2020.”¹¹ U.S. import data and related information are

⁶ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China; Institution of Five-Year Reviews*, 86 Fed. Reg. 7740 (Feb. 1, 2021).

⁷ Domestic Producers’ Confidential Response to the Notice of Institution, EDIS Doc. 735810 (Mar. 3, 2021) (“Response”) at 1.

⁸ Explanation of Commission Determination on Adequacy, EDIS Doc. 743573 (May 28, 2021); *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China; Scheduling of Expedited Five-Year Reviews*, 86 Fed. Reg. 36771, 36772 (July 13, 2021) (“Scheduling Notice”).

⁹ *Scheduling Notice*, 86 Fed. Reg. 36771, 36772.

¹⁰ Domestic Producers’ Confidential Final Comments, EDIS Doc. 747708 (July 23, 2021) (“Final Comments”) at 2.

¹¹ Confidential Report, INV-TT-059, EDIS Doc. 740970 (Apr. 26, 2021) (“CR”)/ Public Report (“PR”) at Table I-1. Commission staff’s estimate is based on 2020 production data reported by domestic producers and 2020 total domestic industry data from *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic (Czechia)*, Investigation No. 731-TA-1529 (Final), USITC Pub. 5183 (April 2021) (“*Seamless SLP Pipe from Czechia Final Determination*”), which has been placed on the record of these reviews. See *id.* at Table I-1 note. Domestic producers estimate that they accounted for *** percent of commercial U.S. shipments of seamless SLP pipe in 2020. *Id.* Domestic producers’ estimated total U.S. shipments were *** than the domestic industry’s U.S. shipment volume reported in *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183. *Id.*; *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 39 nn.157-158. See also Response at Exhibit 12; Domestic Industry’s Confidential Response to Request for Clarifications, EDIS Doc. 737436 (Mar. 18, 2021) at 6-8, Exhibit 4.

based on Commerce's official import statistics.¹² Foreign industry data and related information are based on information furnished by domestic producers, material from the prior proceedings, and publicly available information gathered by Commission staff.¹³ Eight U.S. purchasers responded to the Commission's adequacy phase questionnaire.¹⁴

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."¹⁵ The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."¹⁶ The Commission's 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.¹⁷

Commerce has defined the scope of the antidumping and countervailing duty orders in these five-year reviews as follows:

¹² CR/PR at Table I-6.

¹³ See generally CR/PR at I-25-26.

¹⁴ CR/PR at D-3. One firm, ***, responded it had not purchased seamless SLP pipe since January 1, 2015. *Id.*

¹⁵ 19 U.S.C. § 1677(4)(A).

¹⁶ 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. 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).

¹⁷ See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

{C}ertain seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in outside diameter, regardless of wall-thickness, manufacturing process (e.g., hot-finished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or “hollow profiles” suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials (“ASTM”) or American Petroleum Institute (“API”) specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusion discussed below.

Specifically excluded from the scope of the order are: (1) All pipes meeting aerospace, hydraulic, and bearing tubing specifications; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the order are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, i.e., outside diameter and wall thickness of ASTM A-53, ASTM A-106 or API 5L specifications.

The merchandise covered by the order is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers:

7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise subject to this scope is dispositive.¹⁸

¹⁸ *Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 86 Fed. Reg. 30262, 30263 (June 7, 2021); *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe Final Results of Expedited Second Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 29753 (June 3, 2021).

This scope definition has not changed since the original investigations.

Seamless SLP pipe is used for the transmission of oil and natural gas, in chemical, petrochemical, refinery facilities, and mechanical applications, and is produced to various ASTM International standards.¹⁹ Seamless standard pipe is intended for low temperature conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses.²⁰ Seamless line pipe is produced to the API 5L specification, and is intended for the conveyance of oil and natural gas and other fluids in pipe lines, transmission lines, or gathering lines.²¹ Seamless pressure pipe is commonly produced to the ASTM A-106 specification (covering seamless carbon steel pipe for higher temperature service), and is intended to convey water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gases at elevated temperatures or pressures, or both, in industrial piping systems.²² It may carry substances at elevated temperatures and pressures and may be subjected to external heat.²³ Seamless SLP pipe is commonly produced and certified to meet multiple specifications to avoid separate production runs and inventories for pipe sold for different applications.²⁴

In the original investigations, the Commission found a single domestic like product, consisting of all seamless SLP pipe less than or equal to 16 inches in outside diameter, that was coextensive with Commerce's scope.²⁵ In particular, the Commission found that despite some differences between small diameter seamless SLP pipe and large diameter seamless SLP pipe with respect to uses and common manufacturing facilities/employees, they were mostly similar with respect to physical characteristics, channels of distribution, manufacturing methods, customer and producer perceptions, and price.²⁶

¹⁹ CR/PR at I-11.

²⁰ CR/PR at I-11. Seamless standard pipe is most commonly produced to the ASTM A-53 specification and generally is not intended for high temperature service. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to the ASTM A-333 or ASTM A-334 specifications. If used in water wells, such pipe is typically certified to the ASTM A-589 specification. Fire protection applications are covered by the ASTM A-795 specification. *Id.*

²¹ CR/PR at I-11.

²² CR/PR at I-11-12.

²³ CR/PR at I-11.

²⁴ CR/PR at I-11.

²⁵ *Original Determination*, USITC Pub. 4190 at 10.

²⁶ *Original Determination*, USITC Pub. 4190 at 10. Finding no clear dividing line between small and large diameter seamless SLP pipe, the Commission rejected the argument of one respondent that it should define two separate like products: one of seamless SLP pipe having outside diameter less than or equal to 4.5 inches, and a second consisting of seamless SLP pipe greater than 4.5 inches but less than 16 inches in outside diameter. *Id.* at 7-10.

In the first five-year reviews, the Commission found that there was no new information on the record indicating that the characteristics of the product at issue had changed since the original investigations. Accordingly, the Commission defined a single domestic like product, consisting of all domestically produced seamless SLP pipe less than or equal to 16 inches in outside diameter, coextensive with Commerce's scope.²⁷

In these reviews, domestic producers agree with the Commission's definition of the domestic like product from the prior proceedings.²⁸ There is no new information in the record indicating that the characteristics of seamless SLP pipe have changed since the prior proceedings.²⁹ We therefore again define a single domestic like product consisting of all seamless SLP pipe less than or equal to 16 inches in outside diameter, coextensive with the scope of these reviews.

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."³⁰ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the prior proceedings, the Commission defined a single domestic industry consisting of all domestic producers of seamless SLP pipe less than or equal to 16 inches in outside diameter.³¹

²⁷ *First Review Determination*, USITC Pub. 4595 at 6-7.

²⁸ Response at 31; *see also* Final Comments.

²⁹ *See generally* CR/PR at I-11-13.

³⁰ 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.

³¹ *Original Determination*, USITC Pub. 4190 at 11; *First Review Determination*, USITC Pub. 4595 at 6-7. In the *Original Determination*, the Commission noted that one domestic producer was a related party and that another likely qualified as a related party. It found that appropriate circumstances did not exist for the exclusion of either producer from the domestic industry. *Original Determination*, USITC Pub. 4190 at 11 n.68. There were no known firms subject to possible exclusion under the related party provision or any other domestic industry issue in the first reviews. *First Review Determination*, USITC Pub. 4595 at 6-7.

In these reviews, domestic producers agree with the Commission's definition of the domestic industry in the prior proceedings. The record in these reviews does not indicate any information that would cause the Commission to revisit or revise the definition of the domestic industry adopted in the prior proceedings.³² Consequently, we define the domestic industry as consisting of all domestic producers of seamless SLP pipe.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."³³ The Uruguay Round Agreements Act Statement of Administrative Action ("SAA") states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."³⁴ Thus, the likelihood standard is prospective in nature.³⁵ The U.S. Court of International Trade ("CIT") has found that "likely," as used in the

³² Response at 31. We note that while Vallourec is affiliated with Vallourec Tianda (Anhui) Co., Ltd., a Chinese producer of seamless SLP pipe, ***; therefore, Vallourec is not subject to exclusion from the definition of the domestic industry under the related party provision. Moreover, Vallourec is not an importer of subject merchandise nor is it related to any U.S. importer of subject merchandise. Response at 27, 30; CR/PR at I-21 n.37, Appendix B-3.

³³ 19 U.S.C. § 1675a(a).

³⁴ SAA, H.R. Rep. 103-316, vol. 1 at 883-84 (1994). The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id.* at 883.

³⁵ 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.

five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.³⁶

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.”³⁷ 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.”³⁸

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.”³⁹ 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).⁴⁰ The statute further provides

³⁶ 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’”).

³⁷ 19 U.S.C. § 1675a(a)(5).

³⁸ 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.*

³⁹ 19 U.S.C. § 1675a(a)(1).

⁴⁰ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. *Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from the People’s Republic of China*, (June 1, 2021). (“Commerce AD I&D Memo”) at 4; *Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order on Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the People’s Republic of China*, (May 27, 2021) at 9 (“Commerce CVD I&D Memo”) at 3.

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.⁴¹

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.⁴² In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴³

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.⁴⁴

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

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

⁴² 19 U.S.C. § 1675a(a)(2).

⁴³ 19 U.S.C. § 1675a(a)(2)(A-D).

⁴⁴ 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.

more advanced version of the domestic like product.⁴⁵ 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.⁴⁶

No respondent interested party participated in these reviews. The record, therefore, contains limited new information with respect to the seamless SLP pipe industry in China. There also is limited information regarding the seamless SLP pipe market in the United States during the period of review. Accordingly, for our determinations, we rely, as appropriate, on the limited new information on the record in these reviews and the facts available from the prior proceedings.

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.”⁴⁷ The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. In the original investigations, the Commission found that demand for seamless SLP pipe derived primarily from activity in the energy industry (petroleum, natural gas, and refineries), drilling, and non-residential construction.⁴⁸ The Commission observed that demand for seamless SLP pipe fluctuated over the January 2007 to

⁴⁵ 19 U.S.C. § 1675a(a)(4).

⁴⁶ 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.

⁴⁷ 19 U.S.C. § 1675a(a)(4).

⁴⁸ *Original Determination*, USITC Pub. 4190 at 16. Demand in the energy industry corresponded to the price of oil and natural gas, while demand in non-residential construction corresponded to overall economic activity. *Id.*

June 2010 period of investigation (“POI”) and that it was unlikely to rise substantially in the future.⁴⁹

First Reviews. In the first reviews, the Commission found that demand for seamless SLP pipe continued to be derived from its use to convey liquids and gases in a diverse array of end-use markets and influenced by energy prices and drilling activity.⁵⁰ The Commission found that U.S. consumption fluctuated during the period of review but increased from 2009 to 2014.⁵¹ It also acknowledged domestic producers’ assertion that apparent U.S. consumption of seamless pipe products had declined *** after 2014, ***.⁵²

Current Reviews. In the current reviews, the information available indicates that demand for seamless SLP pipe continues to be derived from demand for downstream applications, particularly in the oil and gas market.⁵³

Domestic producers assert that, based on recent trends in oil and natural gas prices, drilling activity, and non-residential construction spending, demand for seamless SLP pipe has fluctuated since the last reviews and remains at significantly depressed levels.⁵⁴ Crude oil prices fluctuated between 2018 and 2020 but were 26 percent lower in December 2020 than in January 2018, due in part to travel restrictions resulting from COVID-19 mitigation efforts; natural gas prices followed similar trends.⁵⁵ Consistent with oil and gas price trends, the number of oil and gas rigs fluctuated, but decreased overall by 62 percent from January 2018 to December 2020.⁵⁶ Domestic producers maintain that the U.S. seamless SLP pipe market is likely

⁴⁹ *Original Determination*, USITC Pub. 4190 at 17, 28. When measured by apparent U.S. consumption, U.S. seamless SLP pipe demand decreased by *** percent on a quantity basis from 2007 to 2009. Total apparent U.S. consumption was *** percent higher in January-June (“interim”) 2010 than in interim 2009. However, the Commission observed that the data on apparent U.S. consumption did not fully reflect changes in demand because they did not account for changes in the amount of seamless SLP pipe held in inventory by U.S. importers and purchasers, which surged in 2008, increased through 2009, and then declined through the remainder of the POI. *Original Determination*, USITC Pub. 4190 at 17; *Confidential Original Determination*, EDIS Doc. 738793 (“*Confidential Original Determination*”) at 23.

⁵⁰ *First Review Determination*, USITC Pub. 4595 at 11.

⁵¹ *First Review Determination*, USITC Pub. 4595 at 11; *Confidential First Review Determination*, EDIS Doc. 738797 at 15 (“*Confidential First Review Determination*”).

⁵² *First Review Determination*, USITC Pub. 4595 at 11; *Confidential First Review Determination*, EDIS Doc. 738797 at 15.

⁵³ *See Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 37.

⁵⁴ Response at 8.

⁵⁵ Response at 6, Exhibit 1; *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 37.

⁵⁶ *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 37-38; Response at 7, Exhibit 2.

to experience weak demand conditions in 2021 because of the ongoing COVID-19 pandemic, low oil and gas prices, and reduced drilling activity.⁵⁷

Apparent U.S. consumption of seamless SLP pipe was *** short tons in 2020, a level lower than that in 2014, but higher than in 2009.⁵⁸

2. Supply Conditions

Original Investigations. In the original investigations, the domestic industry's market share declined over the POI. Of the three sources of supply to the U.S. market (the domestic industry, subject imports, and nonsubject imports), the domestic industry was the largest source in 2007, but the smallest in 2009.⁵⁹ However, the domestic industry accounted for the largest share of the U.S. market in interim 2010, at which time subject import market share was sharply lower and less than nonsubject import market share.⁶⁰

First Reviews. In the first reviews, the Commission found that the domestic industry was the second largest source of supply (after nonsubject imports), with a 2014 market share of *** percent, after nonsubject imports, which had a 2014 market share of *** percent.⁶¹ Subject imports were largely absent from the market, with a 2014 market share of *** percent.⁶²

⁵⁷ Response at 6-8; Final Comments at 6. Four purchasers also reported that ***. CR/PR at D-3-6.

⁵⁸ CR/PR at Table I-7. Because apparent U.S. consumption reflects only the U.S. shipments of responding domestic producers, it is likely understated. Domestic producers identified two other non-responding domestic producers, PTC Alliance and TimkenSteel, in their Response. Response at 27.

⁵⁹ *Original Determination*, USITC Pub. 4190 at 18; *Confidential Original Determination*, EDIS Doc. 738793 at 24. The domestic industry's market share was *** percent in 2007, *** percent in 2008, and *** percent in 2009. *Id.*

⁶⁰ *Original Determination*, USITC Pub. 4190 at 18.

⁶¹ *First Review Determination*, USITC Pub. 4595 at 11; *Confidential First Review Determination*, EDIS Doc. 738797 at 15-16, fn. 53.

⁶² *First Review Determination*, USITC Pub. 4595 at 11; *Confidential First Review Determination*, EDIS Doc. 738797 at 15-16.

Current Reviews. In 2020, the domestic industry was the second largest source of supply to the U.S. market, accounting for *** percent of apparent U.S. consumption.⁶³ There were several developments in the domestic industry during the period of review.⁶⁴ In 2020, Tenaris acquired IPSCO, another domestic producer.⁶⁵ In addition, U.S. Steel, Vallourec, and Tenaris *** during the period of review.⁶⁶

Subject imports continued to maintain a small presence in the U.S. market during the period of review. Subject import market share was *** percent in 2020.⁶⁷

Nonsubject imports accounted for *** percent of apparent U.S. consumption in 2020.⁶⁸ Nonsubject imports of seamless SLP pipe products from Germany, Romania, Japan, and Mexico have been subject to U.S. antidumping and/or countervailing duty orders.⁶⁹ Moreover, nonsubject imports from four of the largest country sources (Czechia, Korea, Russia, and Ukraine) have been recently subject to U.S. antidumping and countervailing duty investigations,⁷⁰ with the Commission making an affirmative material injury determination with respect to imports of seamless SLP pipe from Czechia in April 2021.⁷¹

⁶³ CR/PR at Table I-7. Because U.S. shipment and apparent U.S. consumption data reflect only data reported by responding domestic producers, the domestic industry's market share is likely understated and subject import and nonsubject import market shares are likely overstated. However, the domestic industry's U.S. shipment volume in *Seamless SLP Pipe from Czechia*, USITC Pub. 5183, which totaled 144,054 short tons, was higher than U.S. shipments of subject imports and lower than U.S. shipments of nonsubject imports, consistent with the data on the record of these reviews. *Compare Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183, at Table IV-8 with CR/PR at Table I-7.

⁶⁴ CR/PR at Table I-4. One purchaser reported that the ***, two purchasers reported that ***, and two purchasers reported that the ***. Three purchasers identified tariffs imposed under section 232 of the Trade Expansion Act of 1962 ("section 232 tariffs") and ***. CR/PR at D-3-6.

⁶⁵ CR/PR at Table I-4; Response at 10.

⁶⁶ CR/PR at Table I-4.

⁶⁷ CR/PR at Table I-7; *First Review Determination*, USITC Pub. 4595 at 11; *Confidential First Review Determination*, EDIS Doc. 738797 at 15-16.

⁶⁸ CR/PR at Table I-7.

⁶⁹ CR/PR at Table I-2.

⁷⁰ These four countries were among the ten largest country sources of U.S. imports of seamless SLP pipe in 2020. See CR/PR at Table I-6.

⁷¹ See *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 3, 29. The antidumping and countervailing duty investigations of seamless SLP pipe from Czechia, Korea, Russia, and Ukraine became staggered when Commerce postponed its final determinations with respect to Korea, Russia, and Ukraine, but not with respect to Czechia. *Id.* at 3-4. Accordingly, the Commission issued its affirmative final determination with respect to imports of seamless SLP pipe from Czechia in April 2021, but was not scheduled to issue its final determinations with respect to imports of seamless SLP pipe from Korea, Russia, and Ukraine until August 2021. *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Korea, Russia, and Ukraine; Scheduling of the Final Phase of the Anti-Dumping and Countervailing Duty Investigations*, 86 Fed. Reg. 36772, 36773 (July 13, 2021) ("Seamless

3. Substitutability and Other Conditions

Original Investigations. The Commission found a moderately high degree of substitutability between subject imports and the domestic like product, and that purchasers ranked price as the most important factor in purchasing decisions.⁷² It also observed that seamless SLP pipe was sold mainly through distributors, that raw materials accounted for a large share of the cost of goods sold (“COGS”), and that U.S. importers and purchasers held significant inventories over the POI.⁷³

First Reviews. In the first reviews, the Commission found that subject imports and the domestic like product continued to be interchangeable and to compete in the U.S. market on the basis of price. The Commission also observed that domestic distributors had *** of seamless tubular goods, including seamless SLP pipe.⁷⁴

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 prior proceedings.⁷⁵ Accordingly, we again find that there is a moderately high level of substitutability between subject imports and the domestic like product, and that price continues to be an important factor in purchasing decisions for seamless SLP pipe in the U.S. market.

SLP Pipe from Korea, Russia, and Ukraine Scheduling Notice”). Nevertheless, the Commission considered imports of seamless SLP pipe from Czechia, Korea, Russia, and Ukraine on a cumulated basis in making its affirmative determination with respect to imports from Czechia. *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 29.

⁷² *Original Determination*, USITC Pub. 4190 at 18. End-of-period inventories held by U.S. importers increased significantly from 2007 to interim 2009, and then decreased throughout the remainder of the POI, although these inventory levels remained higher than they were in 2007. End-of-period inventories held by U.S. purchasers increased significantly from 2007 to 2008, and then decreased throughout the remainder of the POI, ending below 2007 levels. *Id.*

⁷³ *Original Determination*, USITC Pub. 4190 at 18-19.

⁷⁴ *First Review Determination*, USITC Pub. 4595 at 11; *Confidential First Review Determination*, EDIS Doc. 738797 at 16.

⁷⁵ Domestic producers maintain that seamless SLP pipe from China is interchangeable with U.S. produced seamless SLP pipe and that price is an important purchasing factor. Response at 11.

Effective March 23, 2018, imported seamless SLP pipe, including those produced in China, became subject to 25 percent *ad valorem* section 232 tariffs.⁷⁶ Effective February 14, 2020, subject imports became subject to a 7.5 percent *ad valorem* duty under section 301 of the Trade Act of 1974⁷⁷ (“section 301 tariffs”).⁷⁸

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigations, the Commission found that subject import volume was significant, both in absolute terms and relative to consumption and production in the United States.⁷⁹ The volume of subject imports increased sharply from 2007 to 2008 and declined from 2008 to 2009, while subject import market share increased sharply or at least remained stable for most of the POI regardless of whether demand was rising or falling. The Commission also found that declines in subject import volume at the end of the POI resulted, in part, from the pendency of the investigations.⁸⁰

In its threat analysis, the Commission found that producers of seamless SLP pipe in China had the ability to increase exports of subject seamless SLP pipe to the U.S. market in light of their large and growing capacity, substantial unused capacity, large inventories, export orientation, and ability to shift production from out-of-scope tubular products, such as oil country tubular goods (“OCTG”), to seamless SLP pipe.⁸¹ The Commission further found that the United States was a highly attractive market for Chinese seamless SLP pipe producers due to its size and attractive prices, trade barriers in the European Union (“EU”) and India, U.S. antidumping and countervailing duty orders on OCTG, and Chinese producers’ familiarity with the U.S. market.⁸² It therefore concluded that subject import volume was likely to be significant in the imminent future, both in absolute terms and relative to consumption and production, and that the increase in subject import market share would likely be significant.⁸³

⁷⁶ CR/PR at I-10; *Adjusting Imports of Steel into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 Fed. Reg. 11625 (Mar. 15, 2018).

⁷⁷ 19 U.S.C. § 2411.

⁷⁸ CR/PR at I-10; *USTR, Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 85 Fed. Reg. 3741 (Jan. 22, 2020).

⁷⁹ *Original Determination*, USITC Pub. 4190 at 20.

⁸⁰ *Original Determination*, USITC Pub. 4190 at 20.

⁸¹ *Original Determination*, USITC Pub. 4190 at 20-22.

⁸² *Original Determination*, USITC Pub. 4190 at 23.

⁸³ *Original Determination*, USITC Pub. 4190 at 23.

First Reviews: In the first reviews, the Commission found that the Chinese seamless SLP pipe industry had substantial and increasing production capacity, including unused capacity, that exceeded apparent U.S. consumption in 2014.⁸⁴

The Commission also found that the Chinese seamless SLP pipe industry was export oriented,⁸⁵ and that Chinese producers had maintained a presence in the U.S. market since the imposition of the orders.⁸⁶

In addition, the Commission found that Chinese producers had an incentive to increase exports to the U.S. market upon revocation because they faced trade restrictions in several important third country markets (the EU, Mexico, Brazil, and India), increased competition in the Iranian market after the removal of sanctions against Iran, and ***.⁸⁷ It also found that Chinese OCTG producers would have a strong incentive to shift production from OCTG to seamless SLP pipe, produced using the same equipment and employees as OCTG, because of the U.S. antidumping and countervailing duty orders on imports of OCTG from China.⁸⁸

The Commission concluded that the likely volume of subject imports would be significant, both in absolute terms and relative to production and consumption in the United States, in the event of revocation of the orders.⁸⁹

2. The Current Reviews

The record in these five-year reviews indicates that the orders continue to have a disciplining effect on subject imports. During the period of review, subject import volume ranged from 13,013 short tons in 2020 to 59,316 short tons in 2017, *** below the peak subject import volume of *** short tons during the original POI.⁹⁰

⁸⁴ *First Review Determination*, USITC Pub. 4595 at 12-13.

⁸⁵ *First Review Determination*, USITC Pub. 4595 at 13.

⁸⁶ *First Review Determination*, USITC Pub. 4595 at 13.

⁸⁷ *First Review Determination*, USITC Pub. 4595 at 13; *Confidential First Review Determination*, EDIS Doc. 738797 at 19.

⁸⁸ *First Review Determination*, USITC Pub. 4595 at 13. The Commission noted that the importation of out-of-scope merchandise, *i.e.*, seamless pipe greater than 16 inches in outside diameter, increased from 7,893 MT in 2010 to 40,129 MT in 2014. *First Review Determination*, USITC Pub. 4595 at 13 n.67.

⁸⁹ *First Review Determination*, USITC Pub. 4595 at 14.

⁹⁰ CR/PR at Tables I-6-7; *Original Determination*, USITC Pub. 4190 at 19; *Confidential Original Determination*, EDIS Doc. 738793 at 26. This is also less than the lowest volume during the POI of *** short tons in 2009. *Original Determination*, USITC Pub. 4190 at 19; *Confidential Original Determination*, EDIS Doc. 738793 at 26.

The record indicates that subject producers have the means to increase shipments of subject merchandise to the U.S. market to significant levels within a reasonably foreseeable time. The information available indicates that the seamless SLP pipe industry in China possesses substantial capacity. Domestic producers provided evidence of numerous Chinese producers of seamless pipe and tube products, as well as several Chinese producers of OCTG that may have the ability to shift production from OCTG to seamless SLP pipe.⁹¹ According to the *World Steel Association's 2018 Steel Statistical Yearbook*, the Chinese seamless pipe industry produced 26.5 million short tons of seamless pipes (including seamless SLP pipe) in 2017, equivalent to approximately 65.0 percent of global seamless pipe production that year.⁹² Given the large magnitude of Chinese seamless pipe production relative to apparent U.S. consumption of seamless SLP pipe in 2020, and their ability to shift production from OCTG to seamless SLP pipe, Chinese seamless SLP pipe producers would likely significantly increase exports to the United States if the orders were revoked.

The record also indicates that the Chinese seamless SLP pipe industry remains export oriented. Global Trade Atlas ("GTA") data indicate that from 2015 to 2019, China was the world's largest exporter of seamless pipes and tubes, a product category that includes seamless SLP pipe, and accounted for 37.0 percent of global exports in 2019.⁹³ GTA data also indicate that during the period of review, the industry in China exported seamless pipes and tubes to a wide variety of third country markets.⁹⁴ Chinese producers have maintained a continuous presence in the U.S. market since imposition of the orders, with a higher market share in 2020 than in 2014.⁹⁵

The record further indicates that Chinese seamless SLP pipe producers have an incentive to increase exports to the U.S. market if the orders were revoked. The United States remains an attractive market for Chinese seamless SLP pipe producers, as it is the largest source of all rigs operating globally from 2013 through January 2021.⁹⁶ Further enhancing the appeal of the U.S. market to Chinese seamless SLP pipe producers are the existing U.S. antidumping and countervailing duty orders on nonsubject imports from Germany, Romania, Japan, and Mexico;

⁹¹ Response at 15-16 nn.52-54 (identifying *** producers of seamless pipe and tube and *** producers of OCTG in China), Exhibits 6-8.

⁹² Response at 17, Exhibit 9; Final Comments at 9. Domestic producers claim that seamless pipe is a category that includes seamless SLP pipe. Response at 17.

⁹³ CR/PR at Table I-9. GTA data concern a product category broader than the scope of the order under review.

⁹⁴ CR/PR at Table I-8. Korea, the United Arab Emirates, and India were China's largest export markets for this product in 2020. *Id.*

⁹⁵ CR/PR at Table I-7.

⁹⁶ Response at 19, Exhibit 2; Final Comment at 10.

the U.S. antidumping duty order recently imposed on nonsubject imports from Czechia; and the U.S. antidumping and/or countervailing duty proceedings on nonsubject imports from Korea, Russia, and Ukraine.⁹⁷ The U.S. also imposed antidumping and countervailing duty orders on seamless OCTG products from China, providing additional incentive for Chinese producers to shift production from OCTG to seamless SLP pipe in the event of revocation, as many OCTG products can be made using the same equipment and employees as seamless SLP pipe products.⁹⁸ Furthermore, third countries (Brazil, India, the EU, Mexico, Turkey, and Ukraine) have also imposed antidumping and countervailing duty measures on imports of seamless SLP pipe from China, increasing subject producers' likelihood of redirecting shipments to the U.S. market in the event of revocation of the orders under review.⁹⁹

In light of the foregoing, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.¹⁰⁰

⁹⁷ CR/PR at Table I-2; *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the Czech Republic: Antidumping Duty Order*, 86 Fed. Reg. 22031 (Apr. 26, 2021); *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183; *Seamless SLP Pipe from Korea, Russia, and Ukraine Scheduling Notice*, 86 Fed. Reg. 36772, 36773.

⁹⁸ See *Original Determination*, USITC Pub. 4190 at 21, 21 n.151.

⁹⁹ CR/PR at I-27.

¹⁰⁰ There is no information on the record of these reviews indicating that section 301 tariffs have had or will likely have a substantial effect on either the supply of or demand for subject imports. Moreover, *** out of eight purchasers reported that *** and no purchasers reported anticipating that Section 232 tariffs would affect the supply or demand of seamless SLP pipe in the U.S. market. See CR/PR at Appendix D-3. Therefore, we find that section 301 and 232 tariffs are not likely to impede increased volumes of subject imports upon revocation.

The record in these reviews contains no information concerning inventories of the subject merchandise. See CR/PR at I-25.

D. Likely Price Effects

1. The Prior Proceedings

Original Investigations. In the original investigations, the Commission did not find that subject imports had depressed or suppressed prices to a significant degree, although subject imports undersold the domestic like product to a significant degree with underselling in 55 of 56 (or 98.2 percent of) quarterly comparisons.¹⁰¹ However, in its threat analysis, the Commission found that significant underselling by subject imports was likely to persist in the imminent future and that the likely significant volume of low-priced subject imports would likely reverse the price increases domestic producers were able to implement in the first half of 2010.¹⁰² The Commission concluded that significant price depression and suppression were likely in the imminent future.¹⁰³

First Reviews. In the first reviews, the Commission observed that the record did not contain any additional pricing comparisons due to the lack of participation from respondent interested parties and the expedited nature of the reviews.¹⁰⁴ Noting its finding that subject producers were likely to export significant volumes of seamless SLP pipe to the United States after revocation, the Commission found that subject imports would likely pervasively undersell domestically produced seamless SLP pipe, as in the original investigations.¹⁰⁵

Based on the importance of price to purchasing decisions, the Commission further found that significant volumes of low-priced subject imports would likely force the domestic industry either to lower prices or lose sales.¹⁰⁶ The Commission concluded that absent the disciplining effect of the order, subject imports would likely have significant depressing or suppressing effects on prices for the domestic like product.¹⁰⁷

¹⁰¹ *Original Determination*, USITC Pub. 4190 at 24. The Commission did not conclude that subject imports significantly depressed or suppressed the price of the domestic like product in light of a lack of correlation between the subject imports and price levels for the domestic like product; there were favorable movements in both prices and the ratio of COGS to net sales when subject imports increased from 2007 to 2008, and unfavorable movements in prices and the ratio of COGS to net sales from 2008 to 2009 corresponded with sharp declines in demand and stockpiling inventories. *Id.*

¹⁰² *Original Determination*, USITC Pub. 4190 at 23-25. The Commission observed that these increases were possible despite continued weakness in demand because subject import volume declined due to the pendency of the investigations. *Id.*

¹⁰³ *Original Determination*, USITC Pub. 4190 at 25-26.

¹⁰⁴ *First Review Determination*, USITC Pub. 4595 at 14.

¹⁰⁵ *First Review Determination*, USITC Pub. 4595 at 14.

¹⁰⁶ *First Review Determination*, USITC Pub. 4595 at 14.

¹⁰⁷ *First Review Determination*, USITC Pub. 4595 at 14-15.

2. The Current Reviews

There is no new product-specific pricing information on the record due to the expedited nature of these reviews. In these reviews, domestic producers provided evidence that ***.¹⁰⁸ Given the pervasiveness of underselling during the original investigations, the likely significant volume of subject imports upon revocation would likely undersell the domestic like product to a significant degree. As previously discussed, we have found that domestically produced seamless SLP pipe and subject imports have a moderately high level of substitutability, and that price is an important factor in purchasing decisions. Consequently, the significant underselling by subject imports would likely force the domestic industry to either lower prices or forgo price increases, or lose sales and market share. Accordingly, we find that, if the orders were revoked, subject imports would likely have significant price effects on the domestic like product.

E. Likely Impact

1. The Prior Proceedings

Original Investigations. In the original investigations, the Commission did not find that subject imports of seamless SLP pipe had a significant present impact on the domestic seamless SLP pipe industry.¹⁰⁹ However, in its threat analysis, the Commission projected that demand was unlikely to rise substantially and that the domestic industry was unlikely to perform as well in the imminent future as it did during the POI.¹¹⁰ The Commission observed that, although the domestic industry was able to increase its sales volume from interim 2009 to interim 2010, in part due to the pendency of the proceedings, price pressure from subject imports would erode the market share of the domestic industry, resulting in an imminent adverse impact on the domestic industry in the absence of relief.¹¹¹

First Reviews. In the first reviews, the Commission found that the limited record due to the nature of expedited reviews was insufficient for it to make a finding as to whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.¹¹² The Commission also found that the condition of the domestic industry had improved since the original investigations with respect to production,

¹⁰⁸ Response at 22, Exhibit 11; Final Comments at 11.

¹⁰⁹ *Original Determination*, USITC Pub. 4190 at 27.

¹¹⁰ *Original Determination*, USITC Pub. 4190 at 27.

¹¹¹ *Original Determination*, USITC Pub. 4190 at 28.

¹¹² *First Review Determination*, USITC Pub. 4595 at 15.

capacity utilization, U.S. commercial shipments, operating income, and the ratio of operating income to net sales.¹¹³

Notwithstanding these improvements, the Commission found that revocation of the orders would likely result in a significant volume of subject imports of seamless SLP pipe from China that would significantly undersell the domestic like product and depress or suppress domestic prices. Noting that purchasers held *** of inventory, the Commission reasoned that the significant volume of low-priced subject imports would place additional pricing pressure on domestic producers, forcing them to either cut prices or lose sales and cede market share to subject imports.¹¹⁴ As a result, the Commission found that subject imports would negatively affect the domestic industry's production, shipments, capacity utilization, market share, employment, investment, and profitability.¹¹⁵

The Commission also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. It found that the substantial increase in nonsubject import market share between 2009 and 2014 did not prevent the domestic industry from increasing its market share during the period of review in the absence of a significant quantity of subject imports.¹¹⁶ Given this, the Commission found that the likely impact of subject imports would be distinguishable from that of nonsubject imports. Accordingly, the Commission concluded that, if the antidumping and countervailing duty orders were revoked, subject imports of seamless SLP pipe from China would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹¹⁷

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 data domestic producers furnished in their response to the notice of institution, as well as public information the Commission compiled in its recent final investigation of seamless SLP pipe from Czechia.

¹¹³ *First Review Determination*, USITC Pub. 4595 at 15.

¹¹⁴ *First Review Determination*, USITC Pub. 4595 16; *Confidential First Review Determination*, EDIS Doc. 738797 at 23.

¹¹⁵ *First Review Determination*, USITC Pub. 4595 at 16.

¹¹⁶ *First Review Determination*, USITC Pub. 4595 at 16.

¹¹⁷ *First Review Determination*, USITC Pub. 4595 at 16.

The available information indicates that the condition of the domestic industry has deteriorated since the last reviews. In 2020, the domestic industry's capacity was *** short tons, production was *** short tons, capacity utilization was *** percent, and U.S. shipments were *** short tons valued at \$***.^{118 119} The domestic industry's net sales revenue totaled \$***. Its COGS was \$***. It had *** \$*** and *** of \$***; its *** as a share of net sales was ***.¹²⁰ This information, and the limited record available due to the nature of expedited reviews, is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.¹²¹ The Commission found in April 2021, that the domestic industry was suffering material injury by reason of cumulated imports from Czechia, Korea, Russia and Ukraine.¹²²

Based on the limited information available in these reviews, we find that revocation of the orders would likely lead to a significant volume of subject imports that would significantly undersell the domestic like product, and would likely force domestic producers to either reduce prices and/or suppress price increases to a significant degree or relinquish sales and market share to subject imports. Consequently, subject import competition would likely have a

¹¹⁸ CR/PR at Table I-5. Domestic producers' production as well as its quantity and value of U.S. shipments were less in 2020 than at any time during the original POI or 2014. CR/PR at Table I-5, Appendix C-3.

¹¹⁹ In the recent final phase investigation of imports of seamless SLP pipe from Czechia, the Commission found that in 2020, the domestic industry's production was 143,721 short tons, production capacity was 727,379 short tons, and its capacity utilization was 19.8 percent; its U.S. shipments were 144,054 short tons, valued at \$210.8 million, with an average unit value ("AUV") of \$1,463 per short ton. Based on this data, the domestic industry's production volume as well as its quantity and value of U.S. shipments were less in 2020 than in peak years during the POI or in 2014 while its capacity was higher than at any point during the original POI or in 2014. *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 39 nn.157-158, 51, Table III-5; CR/PR at Table I-5, Appendix C-3.

¹²⁰ CR/PR at Table I-5. Domestic producers' 2020 net revenue, COGS, gross profit, operating profit, and operating ratio were all lower than at any point during the original POI or in 2014. CR/PR at Table I-5, Appendix C-3.

¹²¹ Based upon the domestic industry's low capacity utilization rate and poor financial performance, and in light of the Commission's recently completed investigation on seamless SLP pipe from Czechia where it found the domestic industry to be materially injured, Chair Kearns and Commissioner Karpel find the domestic industry to be in a vulnerable condition. They recognize that the Commission does not often make vulnerability findings in expedited reviews, but observe that the inclusion in the record of the public views and staff report for the recently completed investigation on seamless SLP pipe from Czechia provide information on the domestic industry's deteriorating financial performance over a longer contemporaneous time than is typically available in an expedited review. *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183.

¹²² *Seamless SLP Pipe from Czechia Final Determination*, USITC Pub. 5183 at 55.

significant adverse effect on the domestic industry's production, shipments, capacity utilization, market share, employment, investment, and profitability.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to subject imports. Although nonsubject imports have increased their share of the U.S. market since the prior proceedings to *** percent in 2020,¹²³ the record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant volumes upon revocation of the orders. To the contrary, a number of the largest country sources of nonsubject imports during the period of review are subject to U.S. antidumping and countervailing duty orders or proceedings, which would encourage increased subject imports from China upon revocation.¹²⁴ Given this, and the moderately high degree of substitutability of the domestic like product and subject imports, any increase in subject import market share would likely come, at least in substantial part, at the expense of the domestic industry. In light of these considerations, we find that any likely effects of imports from nonsubject countries are distinguishable from the likely effects we have attributed to the subject imports.

We have also considered the likely effects of demand trends on the domestic industry. We recognize that apparent U.S. consumption declined towards the end of the period of review, and that the domestic industry anticipates continued weakness in demand. Nevertheless, apparent U.S. consumption in 2020 remained higher than in 2009, though down from 2014.¹²⁵ Furthermore, *** responding purchasers reported that U.S. demand for seamless SLP pipe is increasing or is likely to increase within a reasonably foreseeable time.¹²⁶ Given this, we find that the likely effects attributable to the subject imports would be distinguishable from any effects likely from demand trends in the event of revocation of the order.

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

¹²³ CR/PR at Table I-7.

¹²⁴ See section III.B.2, above.

¹²⁵ CR/PR at Table I-7.

¹²⁶ CR/PR at D-4-5 (responses by ***), D-6 (responses by ***).

IV. Conclusion

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

Information obtained in these reviews

Background

On February 1, 2021, 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 antidumping and countervailing duty orders on certain seamless carbon and alloy steel standard, line, and pressure pipe (“seamless SLP pipe”) from China would be likely to lead to 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
February 1, 2021	Notice of initiation by Commerce (86 FR 7709, February 1, 2021)
February 1, 2021	Notice of institution by Commission (86 FR 7740, February 1, 2021)
May 7, 2021	Commission’s vote on adequacy
June 3, 2021	Commerce’s results of its expedited review on CVD order
June 7, 2021	Commerce’s results of its expedited review on AD order
September 1, 2021	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 86 FR 7740, February 1, 2021. 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. 86 FR 7709, February 1, 2021. 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. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

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: (1) United States Steel Corporation (“U.S. Steel”); (2) Vallourec Star, L.P. (“Vallourec”); (3) BENTELER Steel/Tube Manufacturing Corp. (“BENTELER”); and (4) Tenaris Bay City, Inc. (“Tenaris”)/IPSCO Tubulars Inc. (“IPSCO”) ⁵ (collectively, “domestic interested parties”).⁶

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.

⁵ In January 2020, Tenaris acquired IPSCO. Domestic interested parties’ response to the notice of institution, March 3, 2021, p. 10; Domestic interested parties’ response to request for clarification, March 18, 2021, p. 8.

⁶ Domestic interested parties identified two other possible domestic producers of seamless SLP pipe in the United States: PTC Alliance and TimkenSteel. Domestic interested parties’ response to the notice of institution, March 3, 2021, pp. 10 and 26-30; Domestic interested parties’ response to request for clarification, March 18, 2021, p. 6.

Table I-1

Seamless SLP pipe: Summary of responses to the Commission's notice of institution

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	4	***

Note: The Commission's most recent report covering seamless SLP pipe indicates 2020 U.S. production of 143,721 short tons, while the domestic interested parties reported 2020 production of *** short tons (or *** percent of total U.S. production of seamless SLP pipe) during 2020. Domestic interested parties' response to the notice of institution, March 3, 2021, exh. 12; Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Czechia, Investigation No. 731-TA-1529 (Final), USITC Publication 5183, April 2021 ("Original Czechia publication"), p. III-7 and table III-5. Staff used data from the Czechia investigation as Commerce's scope in that proceeding is nearly identical to the scope of these investigations. See *the Product* section below and the original Czechia publication at pp. I-9-I-10.

The domestic interested parties provided U.S. shipments data calculated from a published source as an approximation of their coverage. Domestic interested parties reported total domestic shipments and their own commercial shipments at *** and *** short tons, respectively. Based on the figures provided, domestic interested parties estimated that they accounted for *** percent of commercial U.S. shipments of seamless SLP pipe during 2020. Domestic interested parties' response to the notice of institution, March 3, 2021, exh. 12.

The domestic interested parties provided additional details in Domestic interested parties' response to request for clarification, March 18, 2021, pp. 6-8 and exh. 4: ***. However, these data and the calculations based on these data appear to be sensitive to the inclusion or exclusion of non-commercial shipments (internal consumption and shipments to related parties) and to the removal of line pipe greater than 16 inches in outside diameter (produced in welded form in substantial volumes in the United States, but believed to be produced by only one of the seamless SLP pipe producers). See, e.g., U.S. Steel, *Seamless Standard and Line Steel Pipe Products* ("U.S. Steel Tubular Products is the only domestic producer of seamless pipe in the 10-1/8" to 26" {outside diameter} range."). <https://usstubular.com/standard-and-line-steel-pipe/seamless-standard-and-line-steel-pipe-products>, retrieved April 26, 2021. Compare to Large Diameter Welded Pipe from China and India, Investigation Nos. 701-TA-593-594 and 731-TA-1402 and 1404 (Final), USITC Publication 4859, January 2019, table III-1 (U.S. producers of large diameter welded line pipe and structural pipe) and table III-5 (U.S. production of large diameter welded line pipe).

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 domestic interested parties. Domestic interested parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on seamless SLP pipe.⁷

The original investigations and subsequent reviews

The original investigations

The original investigations resulted from petitions filed on September 16, 2009 with Commerce and the Commission by U.S. Steel, Pittsburgh, Pennsylvania and V&M Star L.P., (“V&M Star”)⁸ Houston, Texas.⁹ On September 21, 2010, Commerce determined that imports of seamless SLP pipe from China were being sold at less than fair value (“LTFV”) and subsidized by the Government of China.¹⁰ The Commission determined on November 4, 2010 that an industry in the United States was threatened with material injury by reason of imports from China of seamless SLP pipe that Commerce has determined were subsidized and sold in the United States at LTFV.¹¹ On November 10, 2010, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 50.01 to 98.74 percent and net subsidy rates ranging from 13.66 to 56.67 percent.¹²

⁷ Domestic interested parties’ comments on adequacy, April 14, 2021, pp. 3-5.

⁸ Effective June 1, 2013, V&M Star L.P. changed its name to Vallourec Star L.P. (i.e., the domestic interested party in these investigations: Vallourec). Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Inv. Nos. 701-TA-469 and 731-TA-1168 (Review), USITC Publication 4595, February 2016 (“First review publication”), p. I-14.

⁹ On September 25, 2009, the petition was amended to add TMK IPSCO and The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Worker International Union (“USW”) as additional petitioners. Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final), USITC Publication 4190, November 2010 (“Original publication”), p. I-1.

¹⁰ 75 FR 57444, September 21, 2010 (CVD); 75 FR 57449, September 21, 2010 (AD); 75 FR 69050, November 10, 2010 (CVD amended); and 75 FR 69052, November 10, 2010 (AD amended).

¹¹ 75 FR 69125, November 10, 2010.

¹² 75 FR 69050, November 10, 2010 (CVD amended); and 75 FR 69052, November 10, 2010 (AD amended).

The first five-year reviews

On January 4, 2016, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on seamless SLP pipe from China.¹³ On February 4 and February 11, 2016, Commerce determined that revocation of the countervailing and antidumping duty orders, respectively, on seamless SLP pipe from China would be likely to lead to continuation or recurrence of subsidization and dumping.¹⁴ On March 2, 2016, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁵ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective March 16, 2016, Commerce issued a continuation of the countervailing and antidumping duty orders on imports of seamless SLP pipe from China.¹⁶

¹³ 81 FR 1966, January 14, 2016.

¹⁴ 81 FR 5985, February 4, 2016 (CVD); and 81 FR 7305, February 11, 2016 (AD).

¹⁵ 81 FR 11837, March 7, 2016.

¹⁶ 81 FR 14089, March 16, 2016.

Previous and related investigations

The Commission has conducted a number of previous import relief investigations on seamless SLP pipe or similar merchandise. Table I-2 presents data on previous and related title VII investigations.

Table I-2
Seamless SLP pipe: Previous and related Commission proceedings

Original investigation				Outcome	Current Status
Date	Number(s)	Countr(ies)	Product Scope		
1980	731-TA-15	Japan	Seamless alloy, carbon, and heat - resisting steel boiler tubes and process pipes.	Negative	ITC negative final, order never issued.
1982	731-TA-87	Japan	Seamless “other alloy” pipes and tubes.	Negative	ITC negative final, order never issued.
1982	731-TA-87	Japan	Seamless heat-resisting and seamless stainless pipe and tubes.	Affirmative	ITA revocation effective: 10/1/1984.
1994	701-TA-362 and 731-TA-707-710	Italy, Argentina, Brazil, and Germany	Seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section not more than 4.5 inches in outside diameter.	Affirmative	ITA revocation effective: Italy AD (8/3/2000); Italy CVD (8/8/2000); Argentina and Brazil (7/16/2006). ITA continuation order effective: Germany (2/28/2018).
2000	731-TA-846, 847, 849, and 850	Czech Republic, Japan, Romania, and South Africa	Seamless pipes and redraw hollows, less than or equal to 4.5 inches in outside diameter.	Affirmative	ITA revocation effective: Czech Republic (8/14/2005); South Africa (6/26/2005). ITA continuation order effective: Japan and Romania (11/13/2017).
2000	731-TA-847-848	Japan and Mexico	Seamless pipes greater than 4.5 inches up to and including 16 inches in outside diameter.	Affirmative	ITA revocation effective: Mexico (8/11/2005). ITA continuation order effective: Japan (11/13/2017).

Table continued on next page.

Table I-2--Continued

Seamless SLP pipe: Previous and related Commission proceedings

Original investigation					Current Status
Date	Number(s)	Countr(ies)	Product Scope	Outcome	
2009	701-TA-469 and 731-TA-1168	China	Seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches in outside diameter.	Affirmative	Continuation order effective: 3/7/2016. Ongoing second review.
2020	701-TA-654-655 and 731-TA-1529-1532	Czechia, Korea, Russia, and Ukraine	Seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches in nominal outside diameter.	Affirmative preliminary	Czechia final affirmative. Other final phase investigations are ongoing.

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

Note: In Investigation No. 731-TA-87, the Commission found two distinct like products: (1) seamless "other alloy" pipes and (2) tubes and seamless heat-resisting and seamless stainless pipe and tubes.

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 seamless SLP pipe from China and intends to issue the final results of these reviews based on the facts available not later than June 1, 2021.¹⁷ 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 countervailing duty orders on imports of seamless SLP pipe from China are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

¹⁷ Letter from Abdelali Elouaradia, Office Director, Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, March 23, 2021.

The product

Commerce's scope

Commerce has defined the scope as follows:

The scope of these orders consists of certain seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in outside diameter, regardless of wall-thickness, manufacturing process (e.g., hotfinished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or "hollow profiles" suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials ("ASTM") or American Petroleum Institute ("API") specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusion discussed below.

Specifically excluded from the scope of the orders are: (1) All pipes meeting aerospace, hydraulic, and bearing tubing specifications; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the order are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, i.e., outside diameter and wall thickness of ASTM A-53, ASTM A-106 or API 5L specifications.¹⁸

¹⁸ 81 FR 14089, March 16, 2016.

U.S. tariff treatment

Subject seamless SLP pipe is currently imported under HTS statistical reporting numbers: 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.19. 6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070. Seamless SLP pipe imported from China enters the U.S. market at a column 1-general duty rate of “free.”¹⁹ Effective February 14, 2020, seamless SLP pipe produced in China became subject to an additional 7.5 percent ad valorem duty under Section 301 of the Trade Act of 1974.²⁰ Effective March 23, 2018, seamless SLP pipe produced in China is subject to an additional 25 percent ad valorem duty under Section 232 of the Trade Act of 1974.²¹ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

¹⁹ *HTSUS (2021) Basic Edition Revision 2*, USITC Publication 5181, April 2021, pp. 73-3, 73-9 – 73-10, 73-12 – 73-13, 73-43, 99-III-94, 99-III- 233, and 99-III-234.

²⁰ USTR, Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 85 FR 3741, January 22, 2020.

²¹ Adjusting Imports of Steel into the United States, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

Description and uses²²

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

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

Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gases in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless pressure pipes sold in the United States are commonly produced to ASTM A-106 standard and may be used in temperatures of up to 1,000 degrees Fahrenheit, at various ASME code stress levels. Alloy pipes meeting the ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106.

²² Unless specified elsewhere, information in this section is derived from the first review publication, pp. I-4-6.

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

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

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

Table I-3
Seamless SLP pipes: ASTM and API standard specifications

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

Sources: American Piping Products, "A53 Pipe Specification," <https://www.amerpipe.com/steel-pipe-products/carbon-pipe/a53/a53-specifications/>, retrieved March 16, 2021; ASTM International, "ASTM A-53," <https://www.astm.org/Standards/A53.htm>, April 5, 2021; American Piping Products, "A106 Pipe Specification," <https://www.amerpipe.com/steel-pipe-products/carbon-pipe/a106/a106-specifications/>, retrieved March 16, 2021; ASTM International, "ASTM A-106," <https://www.astm.org/Standards/A106.htm>, April 5, 2021; American Piping Products, "A333 Pipe Specification," <https://www.amerpipe.com/steel-pipe-products/low-temperature-steel-pipe/a333/>, retrieved March 16, 2021; ASTM International, "ASTM A333," <https://www.astm.org/Standards/A333.htm>, April 5, 2021; Marc Steel, "ASME SA/ ASTM A 334," <https://www.marcsteelindia.com/astm-a334-gr-6-carbon-steel-seamless-pipe-tube-manufacturer-supplier/>, retrieved March 16, 2021; ASTM International, "ASTM A334," <https://www.astm.org/Standards/A334.htm>, March 16, 2021; ASTM International, "ASTM A589/A589M – 06(2018)," <https://www.astm.org/Standards/A589.htm>, retrieved March 16, 2021; ASTM International, "ASTM A795 / A795M – 13(2020)," <https://www.astm.org/Standards/A795.htm>, retrieved March 16, 2021; ASTM International, "ASTM A1024 / A1024M – 18," <https://www.astm.org/Standards/A1024.htm>, March 16, 2021; American Piping Products, "API 5L Seamless & Welded Pipe," <https://www.amerpipe.com/steel-pipe-products/api-5l-pipe-specifications/>, retrieved March 16, 2021.

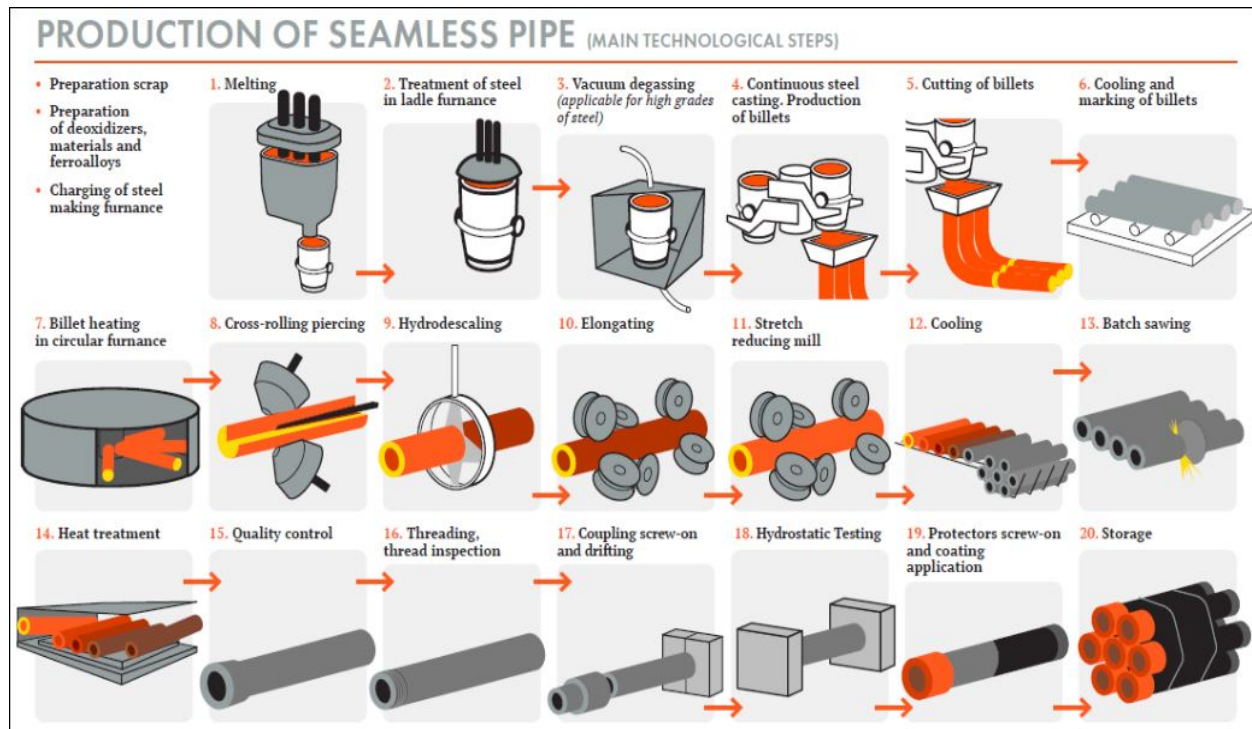
Manufacturing process²³

Melting

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

²³ Unless specified elsewhere, information in this section is derived from the first review publication, pp. I-6-9.

Figure I-1
Seamless SLP pipe: Production of seamless pipe



Source: "Mill Tolerance in Seamless Pipe," <https://akhmadmarufnur.blogspot.com/2018/06/mill-tolerance-in-seamless-pipe.html>, retrieved April 5, 2021.

Piercing

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

Testing

The pipe then undergoes a non-destructive inspection process (e.g., electronic magnetic inspection or an ultrasonic inspection) to determine whether there are surface or internal defects in the wall of the pipe. Depending on the grade of steel requested by the final customer, the product may also undergo a heat treatment process on the production line or in a different location within the same production facility.

Finishing

The last stage of the production process is the finishing stage. If required by the final customer, the manufacturer may bevel the pipe ends during this stage. Other requirements could include specific stenciling, coating, or varnishing to protect the pipes from corrosion during transportation or storage before final end-use applications.

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 eight firms, which accounted for all known U.S. production of seamless SLP pipe during 2009.²⁴ During the first five year reviews, domestic interested parties provided a list of three known and currently operating U.S. producers of seamless SLP pipe, which they estimated accounted for *** percent of production of seamless SLP pipe in the United States during 2014.²⁵

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of six known and currently operating U.S. producers of seamless SLP pipe.²⁶ Four firms providing U.S. industry data in response to the Commission's notice of institution accounted for approximately *** percent of commercial U.S. shipments of seamless SLP pipe in the United States during 2020.²⁷

²⁴ The eight U.S. producers and their share of production of seamless SLP pipe in 2009 are as follows: Michigan Seamless Tube LLC (*** percent); Plymouth Tube Co. (*** percent); The Timken Co. (*** percent); TMK IPSCO (*** percent); U.S. Steel (*** percent); V&M Star (*** percent); Wheatland Tube Co. (*** percent); and Wyman-Gordon Forgings, Inc. (*** percent). Investigation Nos. 701-TA-469 and 731-TA-1168 (Final): Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Confidential Report, INV-HH-097, October 4, 2010, as revised in INV-HH-100, October 8, 2010 ("Original confidential report"), pp. I-3, III-1, and table III-1.

²⁵ Investigation Nos. 701-TA-469 and 731-TA-1168 (Review): Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Confidential Report, INV-NN-094, December 22, 2015, ("First review confidential report"), pp. I-3, I-20, and app. B.

²⁶ Domestic interested parties identified two other possible domestic producers of seamless SLP pipe in the United States: PTC Alliance and TimkenSteel. Domestic interested parties' response to the notice of institution, March 3, 2021, pp. 10 and 26-30; Domestic interested parties' response to request for clarification, March 18, 2021, p. 6.

²⁷ See *Responses to the Commission's Notice of Institution* section for more information on the coverage estimate calculation.

Recent developments

Table I-4 presents events in the U.S. industry since the last five-year reviews.

Table I-4
Seamless SLP pipe: Recent developments in the U.S. industry

Item	Firm	Recent Developments
Closure	Tenaris SA	In February 2015, Tenaris SA announced that it would idle operations at its welding plant in Conroe, Texas. The idling was expected to lay off 230 employees. ¹
Closure	Tenaris SA and Vallourec	In August and September 2017, Tenaris SA and Vallourec temporarily idled their Houston-area operations due to Hurricane Harvey. Tenaris SA announced that it would not resume rolling operations at its Bay City, Texas mill until October. ²
Labor Agreement	U.S. Steel / USW	In October 2018, U.S. Steel and the United Steelworkers (“USW”) reached a new four-year labor agreement covering 16,000 workers at U.S. Steel facilities, including its Fairfield, Alabama operations. ³
Restart	Tenaris SA	In October 2018, Tenaris SA announced that it would resume heat-treatment and pipe-finishing operations at its plant in Conroe, Texas. Tenaris SA planned to use the Conroe, Texas plant to finish seamless pipes produced in Bay City, Texas. ⁴
Expansion	U.S. Steel Tubular	In February 2019, U.S. Steel announced that it would resume construction on a \$215 million electric arc furnace project at its Fairfield, Alabama facility. The expansion also included the modernization of the existing rounds caster and was expected to add 150 full-time employees. ⁵
Closure	TimkenSteel	In November 2019, Timken Steel announced that it would close a Houston-area facility that provided value-added and finishing services primarily to customers in the energy sector. The closure was expected to impact 97 employees. ⁶
Acquisition	Tenaris SA	In January 2020, Tenaris SA announced that it acquired domestic steel pipe manufacturer IPSCO Tubulars, Inc. from PAO TMK for nearly \$1.1 billion in cash. The acquisition includes a steel melt shop in Koppel, Pennsylvania, and a seamless pipe mill in Ambridge, Pennsylvania. ⁷
Closure	Tenaris SA	In March 2020, Tenaris SA announced that it would idle certain tube-making operations at the end of the month due to a collapse in oil prices. The announcement applied to the firm’s billet mill in Koppel, Pennsylvania, and its seamless pipe mill in Ambridge, Pennsylvania. ⁸
Closure	U.S. Steel Tubular	In March 2020, U.S. Steel announced that it would idle its Lorain, Ohio tubular operations and issued a WARN notice to employees. 250 workers were expected to be laid off by May 24, 2020. The company noted that the decision was largely related to market conditions, including oil pricing, imports, and demand. ⁹
Layoffs	Vallourec	In April 2020, Vallourec announced that it would lay off 112 workers at its Muskogee, Oklahoma pipe operations due to uncertainty caused by COVID-19 and OPEC actions. ¹⁰
Layoffs	Vallourec	In April 2020, Vallourec announced that it would lay off 59 workers at its Youngstown, Ohio operations, citing “unprecedented issues caused by the COVID-19 pandemic and the OPEC-Russia oil price war.” Layoffs were expected to begin April 30 through May 13. ¹¹

Table continued on next page.

Table I-4--Continued

Seamless SLP pipe: Recent developments in the U.S. industry

Item	Firm	Recent Developments
Layoffs	Tenaris SA	In May 2020, Tenaris SA announced it would lay off 200 workers at its Bay City, Texas plant citing “a drastic drop in demand caused by the price war between Russia and Saudi Arabia.” ¹²
Expansion	Tenaris SA	In September, Tenaris SA announced that the firm would upgrade its plant in Koppel, Pennsylvania, to allow the plant to produce billets at a wider range of sizes. The upgrade supports the company’s seamless pipe mills operating in Texas, Pennsylvania, and Canada. ¹³
Expansion	Tenaris SA	In March 2021, Tenaris SA increased heat-treating and finishing operations at its plant in Conroe, Texas. The expansion is intended to reduce Tenaris’s supply chain and allow the company’s plant at Bay City, Texas, to source steel domestically. ¹⁴

Note: Tenaris SA is the parent of Tenaris. Domestic interested parties’ response to the notice of institution, March 3, 2021, p. 27.

Sources:

¹ Fastmarkets AMM, “Tenaris temporarily idles Texas mill,” February 25, 2015,

<https://www.amm.com/Article/3430763/Tenaris-temporarily-idles-Texas-mill.html>.

² Association for Iron and Steel (AIST), “After Hurricane Harvey, Tenaris Pushes Back Bay City Schedule,” September 5, 2017, <https://www.aist.org/news/steel-news/2017/september/4-8-september-2017/after-the-hurricane,-tenaris-pushes-back-bay-city>.

³ United Steelworkers (USW), “USW Welcomes U.S. Steel Plan to Restart EAF Construction,” February 11, 2019, <https://m.usw.org/news/media-center/releases/2019/usw-welcomes-u-s-steel-plan-to-restart-eaf-construction>.

⁴ Yanchunas, “Tenaris restarts pipe plant in Texas,” October 23, 2018,

<https://www.amm.com/Article/3430763/Tenaris-temporarily-idles-Texas-mill.html>.

⁵ Thornton, “U.S. Steel restarting Fairfield furnace project, adding 150 jobs” *Al.com*, February 11, 2019, <https://www.al.com/business/2019/02/us-steel-restarting-fairfield-furnace-adding-150-jobs.html>.

⁶ Pulsinelli, “Steel Manufacturer to Close Houston Facility, Cut Nearly 100 Jobs,” *Houston Business Journal*, November 21, 2019, <https://www.bizjournals.com/houston/news/2019/11/21/steel-manufacturer-to-close-houston-facility-cut.html>.

⁷ Veazey, “Tenaris Embarks on U.S. Expansion,” *Rigzone*, January 3, 2020,

https://www.rigzone.com/news/tenaris_embarks_on_us_expansion-03-jan-2020-160710-article/#:~:text=Tenaris%20S.A.%20reported%20Thursday%20that,nearly%20%241.1%20billion%20in%20cash.

⁸ Druzin, “Tenaris to Idle Some US Ops Amid Oil Price Collapse,” *Argus Media*, March 19, 2020, <https://www.argusmedia.com/en/news/2088751-tenaris-to-idle-some-us-ops-amid-oil-price-collapse>.

⁹ O’Brien, “U.S. Steel to idle Lorain tubular plant, lay off 250 workers by May 24,” *The Chronicle*, March 23, 2020, <https://chroniclet.com/news/207586/us-steel-to-idle-lorain-tubular-plant-lay-off-250-workers-by-may-24/#:~:text=U.S.%20Steel%20has%20notified%20the,in%20a%20letter%20on%20Monday>.

¹⁰ *OK Energy Today*, “Nearly 90 Workers at Muskogee Pipe Plant Lose Their Jobs,” April 16, 2020, <http://www.okenergytoday.com/2020/04/nearly-90-workers-at-muskogee-pipe-plant-lose-their-jobs/>.

¹¹ Gauntner, “Vallourec Lays Off 59 Youngstown Workers Amid Coronavirus, Low Oil Price,” *WFMJ*, April 7, 2020, <https://www.wfmj.com/story/41975901/vallourec-cutting-onethird-of-us-workforce>

¹² Yanchunas, “Tenaris Bay City to lay off 200; market ‘stark,’” *Fastmarkets AMM*, May 13, 2020, <https://www.amm.com/Article/3932607/Tenaris-Bay-City-to-lay-off-200-market-stark.html>.

¹³ Ramanand, “Tenaris invests \$11m to upgrade Pa Facility,” *Fastmarkets AMM*, September 1, 2020, <https://www.amm.com/Article/3949051/Tenaris-invests-11m-to-upgrade-Pa-facility.html>.

¹⁴ Asenov, “Tenaris ramps up Conroe to cut supply chain,” retrieved April 5, 2021, <https://www.amm.com/Article/3981468/Tenaris-ramps-up-Conroe-to-cut-supply-chain.html>.

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.²⁸ Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

Table I-5
Seamless SLP pipe: Trade and financial data submitted by U.S. producers, 2009, 2014, and 2020

Item	2009	2014	2020
Capacity (short tons)	***	***	***
Production (short tons)	***	***	***
Capacity utilization (percent)	***	***	***
U.S. shipments: Quantity (short tons)	***	***	***
Value (\$1,000)	***	***	***
Unit value (per short ton)	***	***	***
Net sales (\$1,000)	***	***	***
COGS (\$1,000)	***	***	***
COGS/net sales (percent)	***	***	***
Gross profit (loss) (\$1,000)	***	***	***
SG&A expenses (\$1,000)	***	***	***
Operating income (loss) (\$1,000)	***	***	***
Operating income (loss)/net sales (percent)	***	***	***

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

Source: For the years 2009 and 2014, data are compiled using data submitted in the Commission's original investigations and subsequent first five-year reviews. For the year 2020, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, March 2, 2021, exh. 12.

²⁸ Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.²⁹

In its original determinations and its expedited first five-year review determinations, the Commission defined a single *Domestic Like Product* consisting of all seamless SLP pipe less than or equal to 16 inches in outside diameter that is coextensive with Commerce's scope.³⁰ In its original determinations and its expedited first five-year review determinations, the Commission defined a single *Domestic Industry* consisting of all domestic producers of seamless SLP pipe less than or equal to 16 inches in outside diameter.³¹

In its response to the notice of institution, the domestic interested parties agree with the Commission’s prior definitions of the domestic like product and the domestic industry but reserve the right to comment on the appropriate definitions in the course of this proceeding.³²

²⁹ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁰ 86 FR 7740, February 1, 2021.

³¹ Ibid.

³² Domestic interested parties’ response to the notice of institution, March 3, 2021, pp. 30-31.

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

U.S. importers

In the final phase of the original investigations, the Commission issued questionnaires to 119 firms believed to be importers of subject seamless SLP pipe, as well as to all U.S. producers of seamless SLP pipe. Usable questionnaire responses were received from 31 companies, representing 90.6 percent of total seamless SLP pipe imports from China and 77.0 percent of total seamless SLP pipe from nonsubject sources during 2009.³³ Import data presented in the original investigations were based on official Commerce statistics.³⁴

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of 28 firms that may currently import seamless SLP pipe from China.³⁵ Import data presented in the first reviews were based on official Commerce statistics responses.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution the domestic interested parties provided a list of *** potential U.S. importers of seamless SLP pipe.^{36 37}

³³ Original publication, p. IV-1.

³⁴ U.S. import data presented in the Commission's original staff report are based on official Commerce statistics HTS statistical reporting numbers: 7304.10.1020, 7304.10.1030, 7304.10.1045, 7304.10.1060, 7304.10.5020, 7304.10.5050, 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0036, 7304.39.0048, 7304.39.0062, 7304.59.8010, 7304.59.8015, 7304.59.8030, 7304.59.8045, and 7304.59.8060. Ibid.

³⁵ First review publication, p. I-16.

³⁶ The number may be overinclusive as some firms may operate from more than one address and/or under more than one name variation. Domestic interested parties' response to the notice of institution, March 3, 2021, exh. 13; Domestic interested parties' response to request for clarification, March 18, 2021, pp. 4-5 and exh. 2.

³⁷ Domestic producer Vallourec is indirectly related to foreign producer of the subject merchandise in China: Vallourec Tianda (Anhui) Co., Ltd. However, Vallourec reports that it is not an importer of subject merchandise and is not related to such an importer. Domestic interested parties' response to the notice of institution, March 3, 2021, p. 27.

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2020 imports by quantity).

Table I-6
Seamless SLP pipe: U.S. imports, 2015-20

Item	2015	2016	2017	2018	2019	2020
	Quantity (short tons)					
China	52,294	36,531	59,316	51,655	26,734	13,013
Subtotal, subject	52,294	36,531	59,316	51,655	26,734	13,013
Mexico	49,648	35,026	69,075	83,605	57,194	54,320
Germany	59,354	33,672	41,590	58,327	48,541	37,183
Ukraine	35,350	28,486	35,375	42,962	48,134	36,157
Korea	32,069	26,372	18,407	17,460	18,863	25,428
Brazil	42,432	15,003	52,230	29,541	28,168	24,692
Japan	45,475	28,608	16,013	28,849	48,093	22,216
Romania	30,399	20,025	40,989	60,419	32,386	20,325
Italy	48,220	24,249	45,987	35,618	21,916	17,772
Czech Republic	21,413	20,920	39,465	42,867	39,243	16,227
Russia	120,909	26,251	73,892	41,914	43,689	12,645
All other sources	176,309	69,489	159,923	202,226	178,792	50,512
Subtotal, nonsubject	661,578	328,101	592,947	643,789	565,018	317,477
Total imports	713,872	364,632	652,263	695,444	591,751	330,490
	Landed, duty-paid value (\$1,000)					
China	74,032	42,377	74,703	79,579	45,698	22,167
Subtotal, subject	74,032	42,377	74,703	79,579	45,698	22,167
Mexico	80,927	44,290	88,745	134,884	113,603	74,904
Germany	122,157	62,150	87,474	126,409	103,643	68,025
Ukraine	33,355	16,202	24,654	45,613	50,690	31,871
Korea	42,736	36,619	24,575	22,061	25,480	27,619
Brazil	50,177	13,538	50,870	31,350	35,846	31,899
Japan	112,798	62,887	43,986	73,488	100,666	51,695
Romania	50,988	26,161	56,243	97,858	53,776	28,094
Italy	92,268	37,331	61,272	64,244	48,619	47,681
Russia	23,470	16,426	32,721	50,401	48,637	17,819
Czech Republic	115,046	17,883	64,066	50,224	48,963	13,015
All other sources	261,765	95,085	186,047	287,622	261,189	84,784
Subtotal, nonsubject	985,687	428,572	720,653	984,154	891,114	477,406
Total imports	1,059,719	470,949	795,356	1,063,733	936,812	499,574

Table continued on next page.

Table I-6--Continued
Seamless SLP pipe: U.S. imports, 2015-20

Item	2015	2016	2017	2018	2019	2020
	Unit value (dollars per short ton)					
China	1,416	1,160	1,259	1,541	1,709	1,703
Subtotal, subject	1,416	1,160	1,259	1,541	1,709	1,703
Mexico	1,630	1,264	1,285	1,613	1,986	1,379
Germany	2,058	1,846	2,103	2,167	2,135	1,829
Ukraine	944	569	697	1,062	1,053	881
Korea	1,333	1,389	1,335	1,264	1,351	1,086
Brazil	1,183	902	974	1,061	1,273	1,292
Japan	2,480	2,198	2,747	2,547	2,093	2,327
Romania	1,677	1,306	1,372	1,620	1,660	1,382
Italy	1,913	1,540	1,332	1,804	2,218	2,683
Russia	1,096	785	829	1,176	1,239	1,098
Czech Republic	952	681	867	1,198	1,121	1,029
All other sources	1,485	1,368	1,163	1,422	1,461	1,678
Subtotal, nonsubject	1,490	1,306	1,215	1,529	1,577	1,504
Total imports	1,484	1,292	1,219	1,530	1,583	1,512

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

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers: 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, 7304.59.8070, accessed March 10, 2021.

Apparent U.S. consumption and market shares

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

Table I-7

Seamless SLP pipe: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2009, 2014, and 2020

Item	2009	2014	2020
Quantity (short tons)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***
Apparent U.S. consumption	***	***	***
Value (1,000 dollars)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***
Apparent U.S. consumption	***	***	***
Share of consumption based on quantity (percent)			
U.S. producer's share	***	***	***
U.S. imports from.--			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***
Share of consumption based on value (percent)			
U.S. producer's share	***	***	***
U.S. imports from.--			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections

Source: For the years 2009 and 2014, data are compiled using data submitted in the Commission's original investigations and subsequent first five-year reviews. For the year 2020, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers: 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, 7304.59.8070, accessed March 10, 2021.

The industry in China

During the final phase of the original investigations, the Commission issued foreign producer/exporter questionnaires to 84 firms identified in the petition as producers or exporters of seamless SLP pipe in China. Four firms provided responses to the Commission's questionnaires. The responding firms reported that they accounted for approximately one-third of official Commerce imports in 2009.³⁸ Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of 176 possible producers of seamless SLP pipe in China in that proceeding.³⁹

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 *** possible producers of seamless SLP pipe in China.⁴⁰

Two of the largest steel firms in China that produce seamless SLP pipe are Baowu Steel Group Corp., Ltd. ("Baowu") and Angang Steel Company Limited ("Ansteel"). Baowu was formed in 2016 when Baosteel and Wuhan Iron and Steel merged.⁴¹ Baowu produces a wide range of steel products, including line pipe and seamless steel pipes.⁴² IBISWorld reports that Baowu is expected to expand seamless SLP pipe production capacity from 1.2 to 1.5 million tons.⁴³ Ansteel reportedly produced 360,000 tons of seamless pipe in 2019 with an annual capacity of 500,000 tons per year.⁴⁴

Table I-8 presents export data for certain seamless pipe and tube products, a category that includes seamless SLP pipe and out-of-scope products, from China (by export destination in descending order of quantity for 2020).

³⁸ Original publication, p. VII-5.

³⁹ First review publication, p. I-19.

⁴⁰ The number may be overinclusive as some firms may operate from more than one address and/or under more than one name variation. Domestic interested parties' response to the notice of institution, March 3, 2021, exh. 13; Domestic interested parties' response to request for clarification, March 18, 2021, pp. 2-4 and exh. 1.

⁴¹ Zong, "Baowu Steel's net profit doubles on high prices," October 30, 2017.

⁴² Baosteel Group, "Product catalog," 2015.

⁴³ Zhang, "Steel Rolling in China," December 2020.

⁴⁴ Asian Metal, "Ansteel to hike seamless pipe output," April 17, 2020.

Table I-8
Seamless pipes and tubes: Exports from China, by destination, 2015-20

Item	Calendar year					
	2015	2016	2017	2018	2019	2020
	Quantity (short tons)					
Korea	282,885	290,026	245,774	243,725	289,418	228,330
United Arab Emirates	260,782	175,874	151,914	171,121	349,971	217,347
India	243,167	244,190	196,814	254,088	227,552	197,152
Indonesia	148,674	141,102	113,248	151,070	144,097	126,904
Thailand	81,605	88,563	88,245	102,911	100,229	124,050
Vietnam	131,341	119,705	90,417	91,649	121,719	110,556
Turkey	163,635	125,068	97,939	103,117	95,463	95,849
Iran	163,491	226,041	208,716	125,082	37,585	78,498
Egypt	64,126	51,555	38,492	77,679	78,144	73,140
Taiwan	72,590	78,780	82,668	83,102	61,285	66,296
All other	1,656,918	1,543,064	1,691,483	1,422,590	1,454,099	1,040,146
Total	3,269,215	3,083,970	3,005,710	2,826,136	2,959,561	2,358,266

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 accessed April 22, 2021. These data may be overstated as HTS subheadings 7304.19, 7304.31, 7304.51, and 7304.59 may contain products outside the scope of this/these reviews.

Antidumping or countervailing duty orders in third-country markets⁴⁵

Since the last investigations, the following countries have implemented or renewed dumping orders on seamless SLP pipe from China.

Brazil: Effective September 9, 2015, Brazil implemented antidumping orders on imports from China of seamless carbon steel tubes non alloy under HS codes 7304.31.10, 7304.31.90, 7304.39.10, 7304.39.20, and 7304.39.90. The reported dumping margins range from \$810.46 to \$1,279.74 per metric ton.

India: Effective June 6, 2016, India implemented antidumping orders on imports from China of seamless tubes, pipes, and hollow profiles of iron and steel imported under HS 7304. The dumping margins range from \$961.33 to \$1,610.97 per metric ton.

European Union: Effective May 12, 2017, the European Union extended antidumping orders on imports from China of certain seamless pipes and tubes of iron or steel. The antidumping orders affected imports under following HS codes: 7304.19.10, 7304.19.30, 7304.23.00, 7304.29.10, 7304.29.30, 7304.31.20, 7304.31.80, 7304.39.10, 7304.39.52, 7304.39.58, 7304.39.92, 7304.39.93, 7304.51.81, 7304.51.89, 7304.59.10, 7304.59.92, 7304.59.93. The dumping margins range between 17.7 and 39.2 percent.

Mexico: On January 8, 2019, Mexico extended antidumping orders on imports from China of seamless steel tubing imported under HS 7304.19.04, 7304.19.99, 7304.31.01, 7304.31.10, 7304.31.99, 7304.39.01, 7304.39.05, and 7304.39.99. The dumping margins are \$1,568.92 per metric ton.

Turkey: Effective February 12, 2016, Turkey implemented antidumping orders on imports from China of seamless tubes and pipes of iron and steel imported under HS 7304. The dumping margins range from 22.15 to 50.35 percent.

Ukraine: Effective June 28, 2020, Ukraine implemented antidumping orders on imports from China of hot-deformed seamless steel pipes imported under HS codes 7304.19, 7304.23.0000, 7304.29, 7304.39, and 7304.59. The dumping margins range between 0 and 51.52 percent.

⁴⁵ Information comes from WTO member submitted semi-annual reports on their anti-dumping and countervailing duty orders. No countervailing duties in third-country markets were identified by staff research. World Trade Organization, “Anti-dumping Measures,” https://www.wto.org/english/tratop_e/adb_e/adb_e.htm, retrieved March 18, 2021; and World Trade Organization, “Subsidies and Countervailing Measures,” https://www.wto.org/english/tratop_e/scm_e/scm_e.htm, retrieved March 18, 2021.

The global market

Data on global exports of seamless pipes and tubes are presented in Table I-9. According to GTA, China, Germany, and Italy were the leading exporters of seamless pipes and tubes. During 2019, China accounted for 37.0 percent of global exports by quantity. Germany and Italy accounted for 12.0 percent and 6.3 percent of global exports by quantity, respectively.

Table I-9
Seamless pipes and tubes: Global exports by major sources, 2015-19

Exporter	2015	2016	2017	2018	2019
	Quantity (in short tons)				
China	3,269,216	3,083,970	3,005,709	2,826,137	2,959,561
Germany	840,204	879,833	1,062,575	1,084,284	959,745
Italy	386,642	458,570	452,692	543,504	505,201
Romania	383,491	344,719	414,106	432,783	404,127
Japan	434,155	360,213	351,836	409,595	349,646
Ukraine	291,065	254,852	299,136	310,729	296,793
Russia	218,102	230,963	297,730	401,265	295,771
Czech Republic	296,873	273,443	282,148	289,928	247,668
South Africa	85,582	59,612	69,541	61,436	211,336
Slovakia	180,297	173,504	203,791	207,750	195,517
All other	1,902,858	1,894,421	2,189,334	2,393,267	1,579,140
Total	8,288,485	8,014,099	8,628,599	8,960,679	8,004,503

Note: Because of rounding, figures may not add to total shown. Not all countries reported 2020 export data.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59, accessed March 19, 2021. These data may be overstated as HTS subheadings 7304.19, 7304.31, 7304.39, 7304.51, and 7304.59 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
86 FR 7709, February 1, 2021	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2021-02-01/pdf/2021-02078.pdf
86 FR 7740, February 1, 2021	<i>Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From China; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2021-02-01/pdf/2021-02088.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

	U.S. Steel	Vallourec	BENTELER	Tenaris/ IPSCO	Total
Item	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	***	***	***	***	***
Operations:					
Capacity	***	***	***	***	***
Production	***	***	***	***	***
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	***	***	***	***	***
<p>Note: The capacity, production, and shipment data presented are for calendar year 2020. The financial data are for fiscal year ended December 31.</p> <p>Note: Tenaris acquired IPSCO in January 2020.</p> <p>Note: *** reported *** during 2020.</p> <p>***</p>					

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1

Total seamless SLP pipe (other than ASTM A-335): Summary data concerning the U.S. market, 2007-09, and January-June 2010

* * * * *

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 17 firms as top purchasers of seamless SLP pipe: ***.¹ Purchaser questionnaires were sent to these firms and 9 firms (***) provided responses, which are presented below. *** said it had not purchased seamless SLP pipe since January 1, 2015.

1. Have there been any significant changes in the supply and demand conditions for seamless SLP pipe that have occurred in the United States or in the market for seamless SLP pipe in China since January 1, 2015?

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

Table continued on next page.

¹ Although the domestic interested parties named *** as leading purchasers, they did not provide contact information for them.

1. *Continued—*

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

Table continued on next page.

1. *Continued—*

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

2. Do you anticipate any significant changes in the supply and demand conditions for seamless SLP pipe in the United States or in the market for seamless SLP pipe in China within a reasonably foreseeable time?

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

