Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey

Investigation Nos. 701-TA-539 and 731-TA-1280-1282 (Review)

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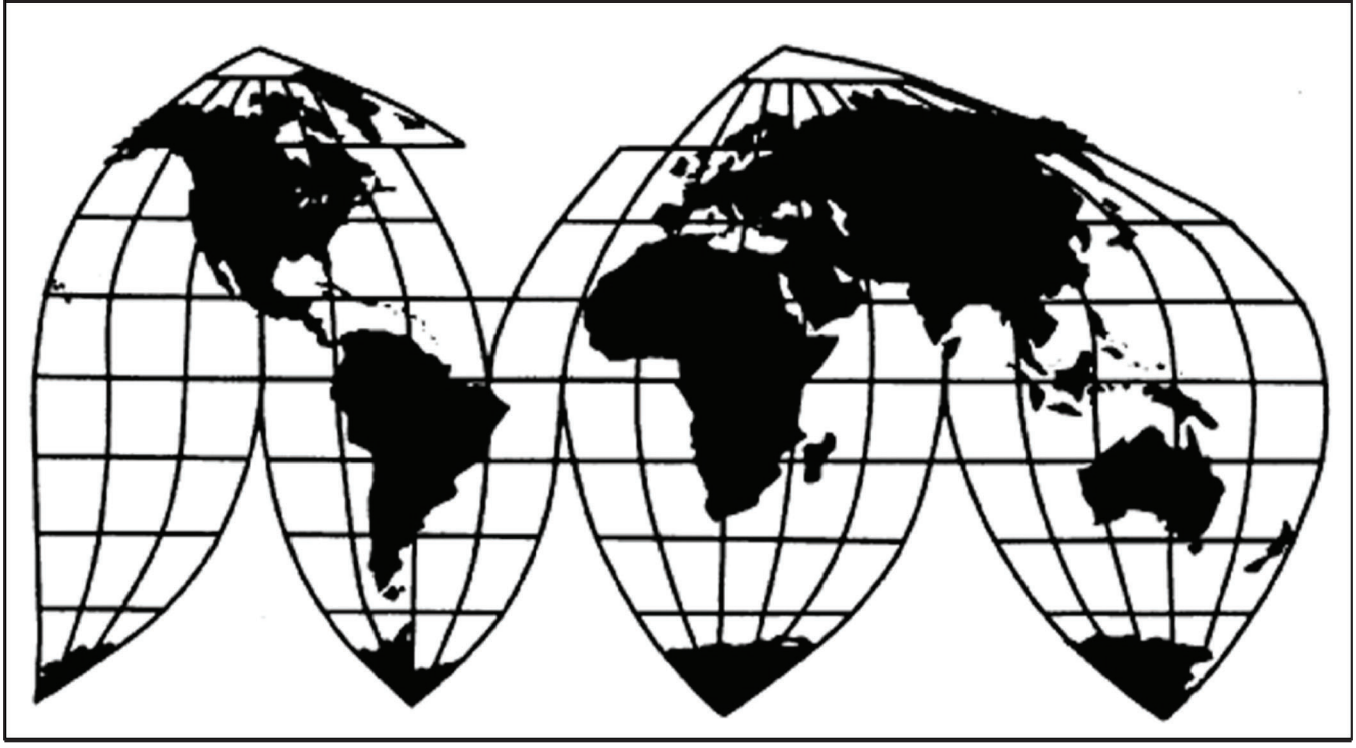

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-539 and 731-TA-1280-1282 (Review)

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey

DETERMINATION

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

BACKGROUND

The Commission instituted these reviews on August 2, 2021 (86 FR 41511) and determined on November 5, 2021 that it would conduct expedited reviews (87 FR 7498, February 9, 2022).

[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 duty orders on heavy walled rectangular welded carbon steel pipes and tubes ("HWR") from Mexico, Korea, and Turkey, and the countervailing duty order on HWR from Turkey, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations: On July 21, 2015, nine U.S. producers of HWR filed petitions concerning imports of HWR from Korea, Mexico, and Turkey.[1] In September 2016, the Commission determined that an industry in the United States was materially injured by reason of imports of HWR from Korea, Mexico, and Turkey that had been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and by imports of HWR from Turkey that had been found by Commerce to be subsidized by the government of Turkey.[2] On September 13, 2016, Commerce issued antidumping duty orders on imports of HWR from Korea, Mexico, and Turkey, and a countervailing duty order on imports of HWR from Turkey.[3]

Current reviews: The Commission instituted these first five-year reviews on August 2, 2021.[4] It received a response to the notice of institution filed on behalf six domestic producers: Atlas, Bull Moose, Maruichi, Nucor Tubular Products Inc. ("Nucor"), Searing, and Vest (collectively, "Domestic Producers"). No respondent interested party filed a response. On November 5, 2021, the Commission determined that the domestic interested party group response to the notice of institution was adequate and that the respondent interested party group responses were inadequate.[5] Finding that no other circumstances warranted conducting

[1] Confidential Report ("CR"), Memorandum INV-TT-120, and Public Report ("PR") at I-3. The nine U.S. producers who filed petitions in the original investigations were: Atlas Tube, a division of Zekelman Industries, Inc. ("Atlas"), Bull Moose Tube Company ("Bull Moose"), Steel Ventures dba EXLTUBE, Hannibal Industries, Inc., Independence Tube Corporation, Maruichi American Corporation ("Maruichi"), Searing Industries ("Searing"), Southland Tube Inc., and Vest Inc. ("Vest"). CR/PR at I-3; *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey*, Inv. Nos. 701-TA-539 and 731-TA-1280-1282, USITC Pub. 4633 (Sept. 2016) ("*Original Determinations*") at I-4 n.8.

[2] *Original Determinations*, USITC Pub. 4633 at 3.

[3] CR/PR at I-3.

[4] *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey: Institution of Five-Year Reviews*, 86 Fed. Reg. 41511 (Aug. 2, 2021).

[5] *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey: Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 7498 (Feb. 9, 2022).

full reviews, the Commission determined to conduct expedited reviews.[6] Domestic Producers subsequently filed comments pursuant to Commission rule 207.62(d) regarding the determinations that the Commission should reach in these reviews.[7]

U.S. industry data are based on information that Domestic Producers provided in their response to the notice of institution, believed to account for the vast majority of domestic production of HWR in 2020.[8] U.S. import data are based on Commerce's official import statistics.[9] Foreign industry data and related information are based on information submitted by the Domestic Producers, questionnaire responses from the original investigations, and publicly available information.[10] Additionally, five purchasers responded to the adequacy phase questionnaire.[11]

II. Domestic Like Product and Industry

A. Domestic Like Product

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

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[6] *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey: Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 7498 (Feb. 9, 2022).

[7] Domestic Producers' Final Comments, EDIS Doc. 763548 (Feb. 18, 2022) ("Final Comments"); Domestic Producers' Confidential Final Comments, EDIS Doc. 763545 (Feb. 18, 2022).

[8] CR/PR at I-12, Table I-1 note. Domestic Producers reported that they account for the vast majority of HWR production in the United States and are unaware of any other domestic producers of HWR. Staff research indicates that there are at least two other domestic producers of HWR tubular products not accounted for by the Domestic Producers. CR/PR at I-12, Table I-4 source; Domestic Industry Events Articles I, EDIS Doc. 753437 (Oct. 5, 2021); Domestic Industry Events Articles II, EDIS Doc. 753439 (Oct. 5, 2021).

[9] CR/PR at Table I-6 source.

[10] *See* CR/PR at Tables I-8-13; s*ee also* Global Trade Atlas ("GTA") data in CR/PR at Tables I-9, I-11, and I-13.

[11] CR/PR at D-3.

[12] 19 U.S.C. § 1677(4)(A).

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

[14] *See*, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-
(Continued…)

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

> The merchandise covered by the orders is certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A–500, grade B specifications, or comparable domestic or foreign specifications.
>
> Included products are those in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:
>
> • 2.50 percent of manganese, or
> • 3.30 percent of silicon, or
> • 1.50 percent of copper, or
> • 1.50 percent of aluminum, or
> • 1.25 percent of chromium, or
> • 0.30 percent of cobalt, or
> • 0.40 percent of lead, or
> • 2.0 percent of nickel, or
> • 0.30 percent of tungsten, or
> • 0.80 percent of molybdenum, or
> • 0.10 percent of niobium (also called columbium), or
> • 0.30 percent of vanadium, or
> • 0.30 percent of zirconium.
>
> The subject merchandise is currently provided for in item 7306.61.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under HTSUS 7306.61.3000. While the HTSUS subheadings and ASTM specification are provided for convenience and customs purposes,

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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).

> the written description of the scope of these orders is dispositive.[15]

The scope is unchanged from the original investigations.

These reviews concern rectangular (including square) welded carbon steel tubing having a wall thickness of 4 mm or greater.[16] Although square and rectangular tubing of any outside dimensions is within the scope definition, HWR is commonly supplied in rectangular cross sections ranging from 3 by 2 inches to 20 by 12 inches and in squares ranging from 1.5 to 20 inches.[17] HWR is used for support or load-bearing purposes in construction, as well as in transportation, farm, and material handling equipment. It is generally manufactured to ASTM specification A 500, grade B.[18]

1. The Original Investigations

In the original investigations, petitioners argued that the Commission should define a single domestic like product coextensive with the scope.[19] The Commission noted that, in the preliminary phase of the investigations, it had found that there were more similarities than differences within the range of in-scope HWR in terms of the Commission's traditional like product factors, with no clear dividing line separating the types of HWR into discrete product groupings.[20] In the final phase of the investigations, the Commission concluded that there was no new information or argument that would warrant revisiting its definition of the domestic like product from the preliminary phase, and the Commission defined a single domestic like product consisting of HWR, coextensive with the scope of the investigations.[21]

2. The Current Reviews

In the current reviews, Domestic Producers state that they agree with the domestic like product definition from the original investigations.[22] The record contains no new information suggesting that the characteristics and uses of domestically produced HWR have changed since

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[15] *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 86 Fed. Reg. 67913 (Nov. 30, 2021); *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 69011 (Dec. 6, 2021).

[16] *Original Determinations*, USITC Pub. 4633 at 6; CR/PR at I-9-10.

[17] *Original Determinations*, USITC Pub. 4633 at 6; CR/PR at I-9-10.

[18] *Original Determinations*, USITC Pub. 4633 at 6; CR/PR at I-9-10.

[19] *Original Determinations*, USITC Pub. 4633 at 6.

[20] *Original Determinations*, USITC Pub. 4633 at 7.

[21] *Original Determinations*, USITC Pub. 4633 at 7.

[22] Final Comments at 20-21.

the original investigations.[23] We therefore again define a single domestic like product consisting of HWR, coextensive with Commerce's scope.

B. Domestic Industry

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

In the original investigations, the Commission defined the domestic industry as all domestic producers of HWR. In those proceedings, the Commission found that one domestic producer, Axis Pipe and Tube ("Axis"), qualified for possible exclusion from the domestic industry pursuant to the related parties provision, 19 U.S.C. § 1677(4)(B), because it was related to a Mexican producer and importer of subject merchandise.[25] Axis's level of investment and increased production during the period of investigation ("POI"), however, indicated that its interest was in domestic production. Accordingly, and absent any argument to the contrary, the Commission found that appropriate circumstances did not exist to exclude Axis from the domestic industry. Consequently, the Commission defined the domestic industry to include all domestic producers of HWR.[26]

In the current reviews, Domestic Producers state that they agree with the definition of the domestic industry that the Commission adopted in the original investigations.[27] The record does not indicate that there are any related party issues in these reviews.[28] Consistent with our definition of the domestic like product, and absent any argument to the contrary, we define the domestic industry as all U.S. producers of HWR.

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[23] CR/PR at I-7-11, I-18.

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

[25] *Original Determinations*, USITC Pub. 4633 at 8.

[26] *Original Determinations*, USITC Pub. 4633 at 9.

[27] Final Comments at 20-21.

[28] While none of the responding Domestic Producers are related to a subject foreign producer or imported subject merchandise, CR/PR at I-18, Axis remains related to a Mexican producer. *Id.* at I-12 n.29. Nonetheless, there is no information on the record of these reviews that would enable a consideration of either the nature of that relationship or whether appropriate circumstances exist for Axis's exclusion from the domestic industry pursuant to the related party provision. In any event, Axis did not respond to the notice of institution or otherwise submit domestic producer information on the record of these reviews.

III. Cumulation

A. Legal Standard

> With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[29]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[30] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future. The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: August 2, 2021.[31]

B. The Prior Proceedings and Arguments of the Parties

1. The Original Investigations

Original Investigations. In the original investigations, the Commission rejected the argument that subject imports from Mexico should not be cumulated with other subject imports due to alleged attenuated competition between subject imports from Mexico and the domestic like product and imports from other subject countries.[32] Specifically, the Commission

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[29] 19 U.S.C. § 1675a(a)(7).

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

[31] CR/PR at I-1.

[32] *Original Determinations*, USITC Pub. 4633 at 12-13.

found a high degree of fungibility between and among imports from each subject country and the domestic like product, and that HWR from each source was sold mainly to distributors, generally served a nationwide market, and was present in nearly every month of the POI.[33] The Commission concluded that there was a reasonable overlap of competition between and among subject imports from each country source and the domestic like product and cumulated subject imports from Korea, Mexico, and Turkey for its material injury analysis.[34]

2. Party Arguments

Domestic Producers argue that the Commission should cumulate subject imports from Mexico, Korea, and Turkey, as it did in the original investigations.[35] Claiming that market conditions have not changed since the original investigations, they assert that all subject imports are likely to compete with each other and the domestic like product in the U.S. market after revocation.[36] Domestic Producers also assert that there is no basis to conclude that HWR imported from any one of the subject countries would likely have no discernible adverse impact on the domestic industry.[37]

C. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[38] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[39] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

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

Mexico. During the original investigations, subject imports from Mexico increased from 66,464 short tons in 2013 (or 3.3 percent of apparent U.S. consumption) to 72,363 short tons in 2014 (or 3.5 percent of apparent U.S. consumption), and then decreased to 46,647 short tons in

[33] *Original Determinations*, USITC Pub. 4633 at 13.
[34] *Original Determinations*, USITC Pub. 4633 at 13.
[35] Final Comments at 4.
[36] Final Comments at 4.
[37] Final Comments at 4.
[38] 19 U.S.C. § 1675a(a)(7).
[39] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

2015 (or 2.4 percent of apparent U.S. consumption).[40] In these reviews, imports from Mexico of certain other welded tubes, pipes, and hollow sections, of square or rectangular cross section ("welded pipe and tube"), which includes HWR and out-of-scope merchandise, were 42,131 short tons in 2016, 63,445 short tons in 2017, 49,737 short tons in 2018, 46,773 short tons in 2019, and 51,473 short tons in 2020 (or *** percent of apparent U.S. consumption that year).[41]

The record of the current reviews contains limited new information concerning the HWR industry in Mexico.[42] Domestic Producers provided a list of 11 possible producers and/or exporters of HWR in Mexico.[43] The information available indicates that the HWR industry in Mexico expanded during the period of review ("POR") through the opening of four new plants and the acquisition of an existing plant with 5.5 million short tons of capacity.[44] Throughout the POR, the United States was the leading destination for Mexican exports of rectangular tubular products, a category including HWR and out-of-scope merchandise.[45]

Subject imports from Mexico undersold the domestic like product in 56 of 58 (or 96.5 percent of) quarterly comparisons in the original investigations.[46] No pricing product data concerning subject imports from Mexico were obtained in the current five-year reviews.

Based on the foregoing, including the presence of imports of welded pipe and tube (a product category including HWR) from Mexico in the U.S. market after imposition of the orders, the large volume of exports of Mexican rectangular tubular products (a product category including HWR) to the U.S. market, the subject industry's expansion of its capacity during the POR, and the significant underselling by subject imports from Mexico during the original investigations, we find that revocation of the antidumping duty order on HWR from Mexico would not likely have no discernible adverse impact on the domestic industry if the order were revoked.

Korea. During the original investigations, subject imports from Korea increased from 57,347 short tons in 2013 (or 2.9 percent of apparent U.S. consumption) to 83,326 short tons in 2014 (or 4.0 percent of apparent U.S. consumption), and then decreased to 76,183 short tons in 2015 (or 3.9 percent of apparent U.S. consumption).[47] In these reviews, imports from Korea of welded pipe and tube, a category including HWR and out-of-scope merchandise, were 65,995 short tons in 2016, 76,862 short tons in 2017, 46,437 short tons in 2018, 40,517 short tons in 2019, and 21,607 short tons in 2020 (or *** percent of apparent U.S. consumption that year).[48]

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

[41] CR/PR at Tables I-6 & I-7.

[42] *See* CR/PR at I-19, I-26-27.

[43] CR/PR at I-26.

[44] CR/PR at I-26, Table I-10.

[45] CR/PR at Table I-11. The record indicates that Mexico exported 15.7 million short tons of rectangular tubular products to the United States in 2016, 17.3 million short tons in 2017, 15.0 million short tons in 2018, 11.7 million short tons in 2019, and 10.9 million short tons in 2020. These data include out-of-scope merchandise. *Id.*

[46] Original Determinations, USITC Pub. 4633 at Table V-10.

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

[48] CR/PR at Tables I-6 & I-7.

The record of the current reviews contains limited new information concerning the HWR industry in Korea.[49] Domestic Producers provided a list of 28 possible producers and/or exporters of HWR in Korea.[50] The information available also indicates that the HWR industry in Korea underwent certain changes during the POR, including the addition of a new plant, a plant sale, corporate mergers, and the patenting of a new forming process for HWR.[51] The United States was the leading destination for Korean exports of rectangular tubular products, a category including HWR and out-of-scope merchandise, throughout the POR, except in 2020 when the United States was the second leading export destination behind Australia.[52]

Subject imports from Korea undersold the domestic like product in 58 of 65 (or 89.2 percent of) quarterly comparisons in the original investigations.[53] No pricing product data concerning subject imports from Korea were obtained in the current five-year reviews.

Based on the foregoing, including the presence of imports of welded pipe and tube (a product category including HWR) from Korea in the U.S. market after imposition of the orders, the substantial volume of exports of Korean rectangular tubular products to the U.S. market, the large number of Korean HWR producers and/or exporters, and the significant underselling by subject imports from Korea during the original investigations, we find that revocation of the antidumping duty order on HWR from Korea would not likely have no discernible adverse impact on the domestic industry if the order were revoked.

Turkey. During the original investigations, subject imports from Turkey increased from 48,123 short tons in 2013 (or 2.4 percent of apparent U.S. consumption) to 63,353 short tons in 2014 (or 3.0 percent of apparent U.S. consumption), and then decreased to 36,294 short tons in 2015 (or 1.9 percent of apparent U.S. consumption).[54] In these reviews, imports from Turkey of welded pipe and tube, which includes HWR and out-of-scope merchandise, were 9,167 short tons in 2016, 17,253 short tons in 2017, 13,010 short tons in 2018, 4,919 short tons in 2019, and zero short tons in 2020.[55]

The record of the current reviews contains limited new information concerning the HWR industry in Turkey.[56] Domestic Producers provided a list of nine possible producers and/or exporters of HWR in Turkey.[57] The record indicates that the HWR industry in Turkey expanded during the POR through the opening of three new plants and upgrades at an existing plant to start production of subject merchandise.[58] Although the United States was not among the

[49] *See* CR/PR at I-19-25.

[50] CR/PR at I-23.

[51] CR/PR at I-23, Table I-8.

[52] CR/PR at Table I-9. The record indicates that Korea exported 67,724 short tons of rectangular tubular products to the United States in 2016, 73,130 short tons in 2017, 55,298 short tons in 2018, 31,490 short tons in 2019, and 18,557 short tons in 2020. These data include out-of-scope merchandise. *Id.*

[53] Original Determinations, USITC Pub. 4633 at Table V-10.

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

[55] CR/PR at Tables I-6 & I-7.

[56] *See* CR/PR at I-19, I-28-29.

[57] CR/PR at I-28.

[58] CR/PR at I-28, Table I-12.

leading destinations for rectangular tubular products, a category including HWR and out-of-scope merchandise, exported from Turkey during the POR, the record indicates that Turkey exported substantial volumes of rectangular tubular products to a variety of third-country markets, suggesting that Turkish HWR producers are export oriented.[59] Turkey was the third largest global exporter of rectangular tubular products in 2020.[60]

Subject imports from Turkey undersold the domestic like product in 47 of 59 (or 79.6 percent of) quarterly comparisons in the original investigations.[61] No pricing product data concerning subject imports from Turkey were obtained in the current five-year reviews.

Based on the foregoing, including the presence of imports of welded pipe and tube from Turkey in the U.S. market after imposition of the orders, except in 2020; the large volume of exports of Turkish rectangular tubular products (a product category including HWR); the HWR industry's expansion of its capacity during the POR; and the significant underselling by subject imports from Turkey during the original investigations, we find that revocation of the antidumping and countervailing duty orders on HWR from Turkey would not likely have no discernible adverse impact on the domestic industry if the orders were revoked.

D. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[62] Only a "reasonable overlap" of competition is required.[63] In five-year reviews, the

[59] CR/PR at Table I-13.

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

[61] Original Determinations, USITC Pub. 4633 at Table V-10.

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

[63] *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke,* 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States,* 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g*., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom., Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[64]

Fungibility. In the original investigations, the Commission found there to be a high degree of substitutability between subject imports from each source and between subject imports and the domestic like product.[65] The Commission observed that most responding domestic producers, importers, and purchasers reported that subject imports from Korea, Mexico, and Turkey were always or frequently used interchangeably with each other and with the domestic like product.[66] Noting that purchaser responses indicated that subject imports from Mexico were comparable to subject imports from other sources and sold across all five pricing products, the Commission found that subject imports from Mexico were fungible with subject imports from Korea and Turkey and the domestic like product, notwithstanding the Mexican respondent's argument to the contrary.[67] There is no new information in these reviews to indicate that the degree of fungibility of HWR from Mexico, Korea, Turkey, and the United States has changed from that found in the original investigations.

Channels of Distribution. In the original investigations, the Commission found that subject imports from Korea, Turkey, and Mexico and the domestic like product were all sold mainly to distributors.[68] In the current reviews, there is no new information to indicate that there has been any change in the channels of distribution of subject imports from Mexico, Korea, and Turkey and the domestic like product since the original investigations.

Geographic Overlap. In the original investigations, the Commission found that HWR from each source generally served a nationwide market during the POI, with some exceptions.[69] Notwithstanding arguments from the Mexican respondent, the Commission found that there was a significant geographic overlap among and between the domestic like product and imports from each subject country.[70] The record in the current reviews indicates that imports of welded pipe and tube, a category that includes HWR and out-of-scope merchandise, from Mexico, Korea, and Turkey entered the United States from the southern border during the POR, among other borders of entry.[71]

Simultaneous Presence in Market. In the original investigations, the Commission found that HWR from all sources was simultaneously present in the U.S. market, given that subject

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

[65] *Original Determinations*, USITC Pub. 4633 at 12.

[66] *Original Determinations*, USITC Pub. 4633 at 12.

[67] *Original Determinations*, USITC Pub. 4633 at 12-13.

[68] *Original Determinations*, USITC Pub. 4633 at 13.

[69] *Original Determinations*, USITC Pub. 4633 at 13.

[70] *Original Determinations*, USITC Pub. 4633 at 13.

[71] CR/PR at I-21. A majority of imports from Korea entered the United States through the western border, with 5 to 17 percent entering through the southern border, and less than 1 percent entering from the eastern border each year. Over 99 percent of imports from Mexico entered the United States via the southern border each year. A majority of imports from Turkey entered the United States via the southern border during each year of the POR, with the eastern border accounting for the second largest entry point of subject imports from Turkey from 2016 to 2018; less than 1 percent of imports from Turkey entered via the western border during the POR. *Id*.

imports from Korea, Mexico, and Turkey entered the United States in nearly every month of the POI.[72] In the current reviews, the record indicates that imports of welded pipe and tube, a category that includes HWR and out-of-scope merchandise, from Mexico were present in all 60 months of the POR, such imports from Korea were present in 56 of 60 months of the POR, and such imports from Turkey were present in 21 of 60 months.[73]

Conclusion. While the record in these expedited reviews contains limited information concerning subject imports in the U.S. market during the POR, it contains no new information suggesting a change in the considerations that led the Commission in its original determinations to conclude that there was a reasonable overlap of competition among subject imports from Mexico, Korea, and Turkey and between imports from each subject country and the domestic like product. On that basis, and in the absence of any contrary argument, we find that there would likely be a reasonable overlap of competition between and among subject imports from Mexico, Korea, and Turkey, and the domestic like product, if the orders were revoked.

E. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from Mexico, Korea, and Turkey would likely compete under similar or different conditions of competition in the U.S. market after revocation of the orders. The available information in these expedited reviews shows that subject imports from each country were significant in terms of volume and market share prior to imposition of the orders and undersold the domestic like product in the original investigations.[74] The available information also shows that the subject industries in Mexico and Turkey expanded their capacity during the POR, and that Mexico, Korea, and Turkey each exported substantial volumes of rectangular tubular products (a category that includes HWR) during the POR.[75] Thus, the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from Mexico, Korea, and Turkey if the orders were revoked.

F. Conclusion

Based on the foregoing, we find that subject imports from Mexico, Korea, and Turkey, considered individually, would not be likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find a likely reasonable overlap of competition between and among subject imports from Mexico, Korea, and Turkey, and the domestic like product, if the orders were revoked. Finally, we find that imports from

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[72] *Original Determinations*, USITC Pub. 4633 at 13.

[73] CR/PR at I-21. No imports from Turkey were reported in 2020 and the only reported imports from Turkey in 2019 occurred in June 2019. *Id*.

[74] *See* section III.C, above. Subject imports from Turkey remained in the U.S. market from 2016 to 2019, including time after the imposition of the orders. *Id*.

[75] *See* section III.C, above. Although Korea reported opening one new plant, it also reported a plant sale and corporate mergers. CR/PR at Table I-8.

each subject country are likely to compete in the U.S. market under similar conditions of competition should the orders be revoked. We therefore exercise our discretion to cumulate subject imports from Mexico, Korea, and Turkey for purposes of our analysis in these reviews.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[76] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[77] Thus, the likelihood standard is prospective in nature.[78] The U.S. Court of International Trade ("CIT") has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[79]

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

[76] 19 U.S.C. § 1675a(a).

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

[78] 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.

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

time."[80] 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."[81]

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."[82] 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).[83] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[84]

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.[85] 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

[80] 19 U.S.C. § 1675a(a)(5).

[81] 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*.

[82] 19 U.S.C. § 1675a(a)(1).

[83] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the original investigations. *Issues and Decision Memorandum for Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders*, 86 Fed. Reg. 67913 (Nov. 30, 2021); *Issues and Decision Memorandum for Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 69011 (Dec. 6, 2021).

[84] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[85] 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.[86]

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.[87]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[88] 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.[89]

No respondent interested party participated in these expedited reviews.[90] The record, therefore, contains limited new information with respect to the HWR industries in Mexico, Korea, and Turkey. There also is limited information on the HWR market in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on information provided by the Domestic Producers, the facts available from the original investigations, and the limited new public information on the record in these reviews.

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[86] 19 U.S.C. § 1675a(a)(2)(A-D).

[87] *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.

[88] 19 U.S.C. § 1675a(a)(4).

[89] 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.

[90] *See* CR/PR at Table I-1.

B. Conditions of Competition and the Business Cycle

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

1. Demand Conditions

Original Investigations. In the original investigations, the Commission found that demand for HWR was driven by nonresidential construction activity and to a lesser extent by the manufacture of agricultural, construction, and other equipment.[92] Apparent U.S. consumption initially increased from 2013 (2.0 million short tons) to 2014 (2.1 million short tons), then decreased in 2015 (2.0 million short tons), for a 2.1 percent decline over the POI.[93] The parties agreed that demand for agricultural equipment declined in 2015, while demand in the nonresidential construction sector increased over the POI.[94]

Current Reviews. The information available in these reviews indicates that demand for HWR continues to be driven by nonresidential construction activity and by the manufacture of agricultural, construction, and other equipment.[95] The record also indicates that HWR continues to be used in construction applications, as well as in transportation, farm, and material-handling equipment.[96] Domestic Producers claim that projections for the steel industry indicate continued and steady growth in HWR demand, although they note that such growth is based on assumptions that there will be a return to normalcy as the COVID-19 pandemic subsides.[97] ***.[98] Apparent U.S. consumption of HWR was *** short tons in 2020.[99]

2. Supply Conditions

Original Investigations. The domestic industry was the largest supplier of HWR to the U.S. market during the POI, accounting for more than three-fourths (78.6 percent) of apparent

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[91] 19 U.S.C. § 1675a(a)(4).

[92] *Original Determinations*, USITC Pub. 4633 at 18.

[93] *Original Determinations*, USITC Pub. 4633 at 18.

[94] *Original Determinations*, USITC Pub. 4633 at 18.

[95] Final Comments at 4-5.

[96] CR/PR at I-10.

[97] Final Comments at 6.

[98] CR/PR at Table B-1, D-4. *** purchaser (***) attributes ***, and *** (***) attributes *** for HWR to ***. *Id.* at D-4. *** purchaser (***), however, states that *** but that ***. *Id.* *** indicated that ***. *Id.* *** purchaser, ***, reported that ***. *Id.* Although *** responding purchasers reported ***. *Id.* at D-5.

[99] CR/PR at Table I-7. The 2020 apparent U.S. consumption figure includes data from the Domestic Producers' response to the notice of institution and official Commerce statistics, which includes HWR and out-of-scope merchandise. *See Id*.

U.S. consumption in 2015.[100] Although several U.S. producers reported opening new HWR plants during the POI, the domestic industry's overall capacity declined by 3.3 percent from 2013 to 2015.[101] One U.S. producer, Atlas, closed its Blytheville, Arkansas facility in 2015.[102]

Cumulated subject imports were the smallest supplier of HWR to the U.S. market in 2015, accounting for 8.1 percent of apparent U.S. consumption that year.[103] Nonsubject imports were the second largest supplier of HWR to the U.S. market in 2015, accounting for 13.3 percent of apparent U.S. consumption that year.[104] Canada was the largest source of nonsubject imports during the POI.[105]

Current Reviews. The domestic industry was the largest supplier of HWR to the U.S. market in 2020, accounting for *** percent of apparent U.S. consumption that year.[106] During the period of review, a series of corporate mergers and acquisitions contributed to a more concentrated domestic industry.[107] In addition, Axis, Atlas, Bull Moose, Nucor, and Zekelman Industries reported opening or planning to construct new plants during the period.[108]

Cumulated subject imports were the smallest source of supply to the U.S. market in 2020, accounting for *** percent of apparent U.S. consumption that year.[109] Nonsubject imports were the second largest source of supply of HWR to the U.S. market in 2020, accounting for *** percent of apparent U.S. consumption that year.[110] Canada was the largest source of nonsubject imports in 2020.[111]

3. Substitutability and Other Conditions

Original Investigations. The Commission found that there was a high degree of substitutability between subject imports and the domestic like product, noting that most responding domestic producers, importers, and purchasers reported that domestic and subject

[100] *Original Determinations*, USITC Pub. 4633 at 19.

[101] *Original Determinations*, USITC Pub. 4633 at 19.

[102] *Original Determinations*, USITC Pub. 4633 at 19-20.

[103] *Original Determinations*, USITC Pub. 4633 at 19.

[104] *Original Determinations*, USITC Pub. 4633 at 19.

[105] *Original Determinations*, USITC Pub. 4633 at 19. *** domestic producers were related to HWR producers in Canada. Confidential Original Determinations, EDIS Doc. 753423 (Oct. 5, 2021) at 27; *Original Determinations*, USITC Pub. 4633 at 19.

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

[107] CR/PR at I-12, Table I-4. Maruichi acquired Evras Oregon Steel Structural Tubing; Nucor acquired Independence Tube Corp. and Southland Tube Inc.; Atlas reported that Zekelman Industries Inc. acquired American Tube Manufacturing Inc. ("ATMI"), which became a part of the Atlas Tube division of Zekelman Industries; and Tenaris S.A. acquired Ipsco Tubulars Inc. CR/PR at Table I-4.

[108] CR/PR at Table I-4. Axis opened a new plant in March 2015 and Atlas was scheduled to open a new plant in September 2021. *Id.* In 2019, Zekelman Industries announced plans to construct a new pipe mill. *Id.* In March 2021, Nucor selected an existing sheet facility to construct a new tube mill. In June 2021, Bull Moose announced its plans to construct a new HSS and sprinkler pipe mill. *Id*.

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

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

[111] CR/PR at I-32; Table I-6.

HWR were always or frequently interchangeable.[112] It also found that price was an important factor in purchasing decisions.[113]

The Commission found that the principle raw material used in production of HWR, hot-rolled steel, accounted for a high share of the domestic industry's cost of goods sold ("COGS"), and that the industry's raw material costs as a share of its total COGS declined during the POI.[114] It also found that HWR was expensive to ship over land, with the ratio of U.S. inland transportation costs to total costs averaging 7.8 percent for responding U.S. producers and 5.4 percent for responding importers.[115]

Current Reviews. Domestic Producers assert that a high degree of substitutability continues to exist between subject imports and domestically produced HWR, and that price remains the primary consideration in purchasing decisions.[116] There is no new information on the record in these reviews to suggest that the substitutability between subject imports and the domestic like product, or the importance of price to purchasing decisions, has changed since the original investigations. Accordingly, as in the original investigations, we find a high degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions.

*** responding purchasers (***) reported that ***, and *** (***) reported that ***.[117]

On March 23, 2018, HWR was included in the enumeration of iron and steel articles that became subject to an additional 25 percent *ad valorem* duty under Section 232 of the Trade Expansion Act of 1962, as amended. Currently, imports of HWR from Mexico are exempt from Section 232 duties or quotas; imports of HWR from Korea are exempt from duties with an annual quota of 59,529 short tons for structural pipe and tube, a category that includes HWR and out-of-scope merchandise; and imports of HWR from Turkey, like HWR imports from most other country sources, are subject to the additional 25 percent *ad valorem* duties.[118]

C. Likely Volume of Cumulated Subject Imports

1. The Original Investigations

In the original investigations, the volume of cumulated subject imports increased from 171,935 short tons in 2013 to 219,042 short tons in 2014, and then declined to 159,123 short tons in 2015.[119] As a share of apparent U.S. consumption, cumulated subject imports increased

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[112] *Original Determinations*, USITC Pub. 4633 at 20.

[113] *Original Determinations*, USITC Pub. 4633 at 20. The vast majority of sales reported by importers and U.S. producers were spot sales, and contracts tended to be short-term. *Id*. at V-2 n.3.

[114] *Original Determinations*, USITC Pub. 4633 at 20.

[115] *Original Determinations*, USITC Pub. 4633 at 20.

[116] Final Comments at 7.

[117] CR/PR at D-4.

[118] CR/PR at I-8. Effective September 1, 2019, imports of nonsubject HWR from China became subject to an additional 7.5 percent *ad valorem* duty under Section 301 of the Trade Act of 1974, as amended. *Id*. at I-8-9.

[119] *Original Determinations*, USITC Pub. 4633 at 21.

from 8.6 percent in 2013 to 10.5 percent in 2014, and then declined to 8.1 percent in 2015.[120] The Commission found that subject imports took market share from the domestic industry between 2013 and 2014, and that in 2015 the domestic industry's market share did not return to its 2013 level.[121]

The Commission also found that the volume and market share of cumulated subject imports were substantially lower in January-March 2016 ("interim 2016") than in January-March 2015 ("interim 2015").[122] Finding that this decline was a result of the pendency of the investigations, the Commission reduced the weight that it accorded to subject import volume and pricing for interim 2016, pursuant to 19 U.S.C. §1677(7)(I).[123]

The Commission concluded that the volume of cumulated subject imports was significant, both in absolute terms and relative to consumption in the United States.[124]

2. The Current Reviews

In these reviews, the record indicates that the antidumping and countervailing duty orders have had a disciplining effect on the volume of subject imports. During the period of review, the volume of imports of welded pipe and tube, a category that includes HWR and out-of-scope merchandise, from the subject countries fluctuated but remained below the level of cumulated subject imports in the original investigations, increasing from 117,293 short tons in 2016 to 157,560 short tons in 2017, before declining to 109,184 short tons in 2018, 92,208 short tons in 2019, and to 73,080 short tons in 2020.[125] These imports accounted for *** percent of apparent U.S. consumption in 2020, compared with 8.1 percent in 2015.[126]

Due to the expedited nature of these reviews, the record contains limited information on the HWR industries in Mexico, Korea, and Turkey. The information available indicates that subject producers have the means and incentive to increase their exports of subject merchandise to the U.S. market if the orders were revoked. Specifically, the information available indicates that the industries in Mexico, Korea, and Turkey continue to produce and export substantial volumes of rectangular tubular products, a product category that include HWR and out-of-scope merchandise.[127] As discussed above, Turkey was the world's third largest exporter of rectangular tubular products in 2020, and Mexico and Korea also exported significant volumes of rectangular tubular products during the POR.[128] Domestic producers have identified 11 HWR producers in Mexico, 28 HWR producers in Korea, and nine HWR producers in Turkey.[129] Moreover, the information available indicates that the subject HWR

[120] *Original Determinations*, USITC Pub. 4633 at 21.
[121] *Original Determinations*, USITC Pub. 4633 at 21.
[122] *Original Determinations*, USITC Pub. 4633 at 21.
[123] *Original Determinations*, USITC Pub. 4633 at 21.
[124] *Original Determinations*, USITC Pub. 4633 at 21.
[125] CR/PR at Table I-6.
[126] CR/PR at Table I-7.
[127] CR/PR at Tables I-9, I-11, and I-13.
[128] CR/PR at Tables I-9, I-11, I-15.
[129] CR/PR at I-22, I-26, & I-28.

industries expanded their capacity during the POR, with four new plants in Mexico and three new plants in Turkey.[130]

Available information also indicates that the U.S. market remains attractive to subject producers. Imports of welded pipe and tube, a category that includes HWR and out-of-scope merchandise, were present in the U.S. market throughout the POR, suggesting that subject producers remain interested in the U.S. market and maintained contacts with U.S. customers.[131] The record indicates that the United States was generally the leading destination for exports of rectangular tubular products, a category including HWR and out-of-scope merchandise, from Mexico and Korea throughout the POR.[132] Moreover, Turkey was the third largest exporter of rectangular tubular products in the world throughout the POR, indicating that Turkish producers are highly export oriented.[133]

Given the significant volume of cumulated subject imports during the original investigations, the subject industries' substantial and increasing capacity, and the attractiveness of the U.S. market to subject producers (as evidenced by the presence during the POR of imports of welded pipe and tube, a category that includes HWR and out-of-scope merchandise), and the subject countries' exports of substantial volumes of rectangular tubular products, we find that the volume of cumulated subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.[134]

[130] CR/PR at I-26, I-28 & Tables I-8, I-10, I-12. The record indicates that there was one new plant opening, one plant sale, and two corporate mergers in the Korean HWR industry during the POR. CR/PR at Table I-8.

[131] *See* section III.C, above. Subject imports from Turkey remained in the U.S. market from 2016 to 2019 following imposition of the orders.

[132] CR/PR at Table I-9, I-11. In 2020, the United States was the second leading export destination behind Australia for rectangular tubular products, a category including HWR and out-of-scope merchandise, from Korea. CR/PR at Table I-9.

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

[134] Only *** of five responding purchasers (***) reported that ***. *See* CR/PR at D-4-5. Furthermore, subject imports from Mexico are exempt from Section 232 duties or quotas, and the U.S. market is sufficiently attractive to encourage subject producers in Korea and Turkey to export significant quantities of HWR in the absence of the orders. The volume of subject imports from Korea in 2020 of 21,607 short tons was also well below the quota level of 59,529 short tons for structural pipe and tube products. CR/PR at I-8 and Table I-6.

We also note that the record in these expedited reviews contains no information concerning inventories of the subject merchandise and very limited information concerning the potential for product shifting. Domestic Producers argue that subject producers would have an incentive to product shift if the orders under review were revoked, due to the existence of AD and CVD orders on other pipe and tube products. Final Comments at 10.

D. Likely Price Effects of Cumulated Subject Imports

1. The Original Investigations

In the original investigations, the Commission found that there was a high degree of substitutability between subject imports and the domestic like product, and that price was an important factor in purchasing decisions.[135] From 2013 to 2015, cumulated subject imports undersold the domestic like product in 149 of 170 quarterly comparisons, or 87.6 percent of the time, by margins ranging from 0.4 to 23.1 percent and averaging 10.1 percent.[136] The volume of subject import shipments in quarters of underselling, 15,141,970 feet, was substantially greater than the volume in quarters of overselling, at 1,602,038 feet.[137] Based on the high degree of substitutability between subject imports and the domestic like product, the Commission found that subject import underselling was significant, and that it facilitated the growth in subject import volume at the domestic industry's expense between 2013 and 2014.[138]

The Commission also found that subject imports affected price movements for the domestic like product from 2013 to 2015.[139] As subject imports increased at the domestic industry's expense between 2013 and 2014, the Commission observed, prices for the domestic like product declined and the domestic industry was unable to charge prices sufficient to cover its increased raw materials costs, placing the industry in a cost-price squeeze despite an increase in apparent U.S. consumption.[140] The Commission found that the domestic industry's prices also declined by more than raw material costs between 2014 and 2015, as domestic producers sought to preserve sales and market share in response to their loss of market share to low-priced subject imports in 2014.[141] The Commission further noted that eight responding purchasers reported that domestic producers reduced prices to compete with subject imports, and that the industry was only able to increase the spread between its net sales AUV and raw material costs when subject import volume and market share declined in interim 2016 compared to interim 2015.[142]

The Commission concluded that subject imports had significant price effects on the domestic industry, including price depression in 2015.[143]

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[135] *Original Determinations*, USITC Pub. 4633 at 22.
[136] *Original Determinations*, USITC Pub. 4633 at 22.
[137] *Original Determinations*, USITC Pub. 4633 at 22.
[138] *Original Determinations*, USITC Pub. 4633 at 22-23.
[139] *Original Determinations*, USITC Pub. 4633 at 23.
[140] *Original Determinations*, USITC Pub. 4633 at 23.
[141] *Original Determinations*, USITC Pub. 4633 at 24.
[142] *Original Determinations*, USITC Pub. 4633 at 24-25.
[143] *Original Determinations*, USITC Pub. 4633 at 25.

2. The Current Reviews

As discussed above, we continue to find a high degree of substitutability between domestically produced HWR and subject imports from Mexico, Korea, and Turkey, and that price is an important factor in purchasing decisions.

The record does not contain recent product-specific pricing information due to the expedited nature of these reviews. In 2020, AUVs for domestic shipments of HWR were $*** per short ton, while AUVS for imports of welded pipe and tube were $713 per short ton.[144] Based on the information available, including with respect to subject import underselling during the POI and the high degree of substitutability of subject imports and the domestic like product and the importance of price in purchasing decisions, we find that, if the orders were revoked, significant volumes of cumulated subject imports would likely engage in significant underselling, as they did in the original investigations. Absent the discipline of the orders, the significant volumes of low-priced subject imports would likely take sales and market share from the domestic industry and/or force the industry to cut prices or restrain price increases necessary to cover increasing costs, as occurred during the original investigations.[145] Consequently, we find that if the orders were revoked, significant volumes of subject imports would likely have significant price effects.

E. Likely Impact of Cumulated Subject Imports

1. The Original Investigations

In the original investigations, the Commission found that the significant volume of cumulated subject imports, which significantly undersold the domestic like product and caused market share declines in 2014 and price depression in 2015, had a significant impact on the domestic industry.[146] It observed that the domestic industry experienced declines in most performance indicators from 2013 to 2015, with particularly sharp declines occurring between 2014 and 2015.[147] Specifically, when increasing volumes of low-priced subject imports captured market share from the domestic industry between 2013 and 2014, the domestic industry experienced modest increases in production, capacity utilization, net sales, shipments, and revenues that were well below the 4.4. percent increase in apparent U.S. consumption,[148] and it experienced declines in its operating income and operating margins.[149] When the domestic industry lowered its prices to try to regain market share from subject imports in 2015, the

[144] CR/PR at Table I-6 and I-5. We recognize that AUV comparisons are impacted by differences between the datasets. AUVs of U.S. imports are at a different level of trade than AUVs of U.S. shipments of the domestic like product. In addition, they are based on official Commerce statistics, which include HWR and out-of-scope merchandise.

[145] *See Original Determinations*, USITC Pub. 4633 at 23.

[146] *Original Determinations*, USITC Pub. 4633 at 29.

[147] *Original Determinations*, USITC Pub. 4633 at 26.

[148] *Original Determinations*, USITC Pub. 4633 at 26.

[149] *Original Determinations*, USITC Pub. 4633 at 26.

industry experienced declines in production, capacity utilization, net sales, and shipments, and sharply lower revenues, operating income, and operating margins.[150] The Commission therefore found that subject imports had a significant impact on the domestic industry.

The Commission disagreed with respondents' argument that there was a lack of correlation between subject import volumes and domestic industry performance, noting that the industry experienced adverse effects from subject imports in both 2014 and 2015.[151] The Commission also disagreed with respondents' assertion that the decline in subject import market share in the first half of 2015, before the petitions were filed, was a voluntary response to a decline in U.S. demand rather than a response to the domestic industry's price reductions.[152] Noting that the demand decline was focused on a sector in which subject import competition was limited, the Commission found that the more persuasive explanation for the reduced presence of subject imports in the U.S. market in the first half of 2015 was the more aggressive pricing by the domestic industry during that period.[153]

The Commission also rejected respondents' argument that declining hot-rolled steel prices explained the domestic industry's performance during the POI.[154] It noted that the difference between the domestic industry's net sales AUVs and its raw material cost per unit moved in an unfavorable direction in both 2014 and 2015, reflecting the significant effect of subject imports on prices for the domestic like product.[155] It also found that the record did not show that expected changes in the price of hot-rolled steel had significantly influenced purchases of HWR during the POI.[156]

In considering the role of nonsubject imports for purposes of non-attribution, the Commission observed that when subject imports retreated from the U.S. market in interim 2016, the market share of nonsubject imports rose by less than the domestic industry's market share, and the industry's overall performance improved.[157] Accordingly, the Commission found that the adverse effects caused by subject imports were distinct from any caused by the nonsubject imports.[158]

The Commission concluded that the cumulated subject imports had a significant impact on the domestic industry.[159]

2. The Current Reviews

Due to the expedited nature of these reviews, the record contains limited information concerning the domestic industry's performance since the original investigations.

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[150] *Original Determinations*, USITC Pub. 4633 at 26-27.
[151] *Original Determinations*, USITC Pub. 4633 at 29.
[152] *Original Determinations*, USITC Pub. 4633 at 30.
[153] *Original Determinations*, USITC Pub. 4633 at 30.
[154] *Original Determinations*, USITC Pub. 4633 at 30-31.
[155] *Original Determinations*, USITC Pub. 4633 at 30-31.
[156] *Original Determinations*, USITC Pub. 4633 at 30-31.
[157] *Original Determinations*, USITC Pub. 4633 at 32-33.
[158] *Original Determinations*, USITC Pub. 4633 at 33.
[159] *Original Determinations*, USITC Pub. 4633 at 33.

The information available indicates that the domestic industry's performance was stronger in 2020 than during the original investigations, according to many measures. In 2020, the domestic industry's capacity was *** short tons, production was *** short tons, and capacity utilization was *** percent.[160] The industry's U.S. shipments were *** short tons in 2020, equivalent to *** percent of apparent U.S. consumption that year.[161] The industry's net sales were $***, operating income was ***, and the ratio of its operating income to net sales was *** percent in 2020. Additionally, the industry's ratio of COGS to net sales was *** percent in 2020.[162] The domestic industry's capacity, production, U.S. shipments, net sales, operating income, and operating income margin were higher, and its ratio of COGS to net sales lower, in 2020 than in 2015, the last year of the period examined in the original investigations.[163] The limited information on the record, however, 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.

Based on the limited information on the record, we find that revocation of the orders would likely result in a significant volume of subject imports that would likely undersell the domestic like product to a significant degree and have an adverse effect on prices for the domestic like product and/or take market share from the domestic industry. The likely significant volume of low-priced subject imports and significant price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We conclude that, if the orders were revoked, subject imports from Mexico, Korea, and Turkey would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than cumulated subject imports, including the presence of nonsubject imports, on the domestic industry. Although nonsubject imports have maintained their presence in the U.S. market, with a market share of *** percent in 2020,[164] the record provides no indication that the presence of nonsubject imports would prevent cumulated subject imports from entering the U.S. market in significant quantities,

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

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

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

[163] CR/PR at Table I-5. The domestic industry's capacity was *** short tons in 2020, compared to 2.8 million short tons in 2013 and 2.7 million short tons in 2014 and 2015. Its production was *** short tons in 2020, compared to 1.8 million short tons in 2013 and 2014, and 1.6 million short tons in 2015. The industry's U.S. shipments by quantity were *** short tons in 2020, compared to 1.7 million short tons in 2013 and 2014, and 1.5 million short tons in 2015. Its net sales were $*** in 2020, compared to $1.5 billion in 2013, $1.6 billion in 2014, and $1.2 billion in 2015. Its operating income was $*** in 2020, compared to $140.0 million in 2013, $117.0 million in 2014, and $68.3 million in 2015. The industry's operating income margin was *** percent in 2020, compared to 9.2 percent in 2013, 7.5 percent in 2014, and 5.9 percent in 2015. *Id*.

[164] CR/PR at Table I-7. Nonsubject imports' market share was 9.0 percent in 2013, 10.3 percent in 2014, and 13.3 percent in 2015.

adversely affecting prices for the domestic like product, and/or taking market share from the domestic industry after revocation of the orders. All of the market share relinquished by subject imports since the original investigations was gained by the domestic industry, while nonsubject import market share was lower in 2020 than in 2015.[165] Given the high degree of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, and the domestic industry's position as the predominant supplier in the market, the likely increase in subject imports upon revocation would likely undersell the domestic like product and have significant price effects, regardless of the presence of nonsubject imports. Consequently, we find that any effects of nonsubject imports would not affect the likely effects attributable to the subject imports.

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

V. Conclusion

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

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

Information obtained in these reviews

Background

On August 2, 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 countervailing duty order on imports of heavy walled rectangular welded carbon steel pipes and tubes ("HWR tubular products") from Turkey and of the antidumping duty orders on imports of HWR tubular products from Korea, Mexico, and Turkey 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
August 2, 2021	Notice of initiation by Commerce (86 FR 41439, August 2, 2021)
August 2, 2021	Notice of institution by Commission (86 FR 41511, August 2, 2021)
November 5, 2021	Commission's vote on adequacy
November 30, 2021	Commerce's results of its expedited reviews of the AD orders (86 FR 67913, November 30, 2021)
December 6, 2021	Commerce's results of its expedited review of the CVD order (86 FR 69011, December 6, 2021)
March 17, 2022	Commission's determinations and views

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

[2] 86 FR 41511, August 2, 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 41439, August 2, 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 domestic like product and 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 response

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Atlas Tube, a division of Zekelman Industries ("Atlas"), Chicago, Illinois; Bull Moose Tube Company ("Bull Moose"), Chesterfield, Missouri; Maruichi American Corporation ("Maruichi"), Santa Fe Springs, California; Nucor Tubular Products, Inc. ("Nucor"), Chicago, Illinois; Searing Industries ("Searing"), Rancho Cucamonga, California; and Vest, Inc. ("Vest"), Vernon, California (collectively "domestic interested parties").

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

Table I-1
HWR tubular products: Summary of completed responses to the Commission's notice of institution

Interested party	Type	Number of firms	Coverage
U.S. producers	Domestic	6	100.0%

Note: The domestic interested parties in their response to the notice of institution noted, "The six Domestic Producers believe that they account for the vast majority of HWR production in the United States and are unaware of any other domestic producers of HWR… None of the Domestic Producers are importers of subject merchandise." Domestic interested parties' response to the notice of institution, September 1, 2021, p. 20. Although the domestic interested parties stated that they are unaware of any other domestic producers of HWR tubular products, staff research suggests that there are at least two other domestic producers of HWR tubular products. As such, the 100 percent coverage estimate may be overstated.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested parties. The domestic interested parties contend that the domestic industry's response is adequate and that the failure of any foreign producers to respond to the notice of institution means their responses were inadequate. As such, the domestic interested

parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on HWR tubular products.[5]

The original investigations

The original investigations resulted from petitions filed on July 21, 2015 with Commerce and the Commission by Atlas Tube, a division of Zekelman Industries, Inc.,[6] Chicago, Illinois; Bull Moose Tube Company, Chesterfield, Missouri; EXLTUBE, North Kansas City, Missouri; Hannibal Industries, Inc., Los Angeles, California; Independence Tube Corporation, Chicago, Illinois; Maruichi American Corporation, Santa Fe Springs, California; Searing Industries, Rancho Cucamonga, California; Southland Tube, Birmingham, Alabama; and Vest, Inc., Los Angeles, California.[7] On July 21, 2016, Commerce determined that imports of HWR tubular products from Korea, Mexico, and Turkey were being, or were likely to be, sold in the United States at less than fair value ("LTFV")[8] and that countervailable subsidies were being provided to producers and exporters of HWR tubular products from Turkey.[9] The Commission determined on September 6, 2016 that that an industry in the United States was materially injured by reason of imports of HWR tubular products from Korea, Mexico, and Turkey that had been found by Commerce to be sold in the United States at LTFV, and that had been found by Commerce to be subsidized by the government of Turkey.[10] On September 13, 2016, Commerce issued its antidumping duty orders with the final weighted-average dumping margins ranging from 2.34 to 3.82 percent for Korea, 3.83 to 5.21 for Mexico, and 17.73 to 35.66 for Turkey[11] and its countervailing duty order with net subsidy rates ranging from 9.87 to 15.08 percent for Turkey.[12]

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[5] Domestic interested parties' Comments on Adequacy of Substantive Responses to Notice of Institution, October 14, 2021, pp. 1-2.

[6] JMC Steel Group Inc. changed its name to Zekelman Industries Inc., June 6, 2016. "JMC Steel Group Changes Name to Zekelman Industries Inc.," http://www.zekelman.com/press-release/zekelmanindustries/jmc-steel-group-changes-name-to-zekelman-industries-inc, June 6, 2016.

[7] Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey, Inv. Nos. 701-TA-539 and 731-TA-1280-1282 (Final), USITC Publication 4633, September 2016 ("Original publication"), p. I-1.

[8] 81 FR 47347, 81 FR 47352, and 81 FR 47355, July 21, 2016.

[9] 81 FR 47349, July 21, 2016.

[10] 81 FR 62763, September 12, 2016.

[11] 81 FR 62865, September 13, 2016.

[12] 81 FR 62874, September 13, 2016.

Previous and related investigations

HWR tubular products have been the subject of several prior antidumping duty investigations in the United States. Table I-2 presents data on previous and related title VII investigations.

Table I-2
HWR tubular products: Previous and related Commission proceedings

Date	Number	Country	Determination
1983	731-TA-131	Korea	Negative
1983	731-TA-132	Taiwan	Negative
1983	731-TA-138	Korea	Negative
1985	731-TA-254	Canada	Negative
1985	731-TA-294	Singapore	Negative

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

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

The Commission has also investigated related light walled rectangular welded carbon steel pipes and tubes (“LWR tubular products”) several times since 1983. Table I-3 presents data on previous antidumping and countervailing duty investigations and five-year reviews concerning LWR tubular products.

Table I-3
LWR tubular products: Previous and related Commission proceedings and status of orders

Date	Number	Country	Determination	Status
1983	731-TA-131	Korea	Negative	Not in effect.
1983	731-TA-132	Taiwan	Negative	Not in effect.
1983	731-TA-138	Korea	Affirmative	Order revoked in October 1985.
1984	731-TA-198	Spain	Terminated after preliminary phase	Not in effect.
1986	731-TA-211	Taiwan	Negative	Not in effect.
1985	731-TA-294	Singapore	Affirmative	Order revoked following ITC negative determination in first review in 2000.
1987	731-TA-349	Taiwan	Negative	Not in effect.
1988	731-TA-409	Argentina	Affirmative	Revoked following ITC negative determination in second review in 2006.
1988	731-TA-410	Taiwan	Affirmative	Order continued in 2017 following third five-year review. Order in effect.
1995	731-TA-730	Mexico	Negative	Not in effect.
2004	731-TA-1054	Mexico	Negative	Not in effect.
2004	731-TA-1055	Turkey	Negative	Not in effect.
2007	701-TA-449	China	Affirmative	Order continued in 2020 following second five-year review. Order in effect.
2007	731-TA-1118	China	Affirmative	Order continued in 2020 following second five-year review. Order in effect.
2007	731-TA-1119	Korea	Affirmative	Order continued in 2020 following second five-year review. Order in effect.
2007	731-TA-1120	Mexico	Affirmative	Order continued in 2020 following second five-year review. Order in effect.
2007	731-TA-1121	Turkey	Affirmative	Order continued in 2020 following second five-year review. Order in effect.

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

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

Note: Investigation Nos. 731-TA-131, 731-TA-132, 731-TA-138, and 731-TA-294 appear in tables I-2 and I-3 due to separate domestic like product determinations.

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of HWR tubular products from Korea, Mexico, and Turkey with the intent of issuing the final results of these reviews based on the facts available not later than November 30, 2021.[13] Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at http://enforcement.trade.gov/frn/. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and/or countervailing duty orders on imports of HWR tubular products from Korea, Mexico, and Turkey are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

[13] 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, September 20, 2021.

The product

Commerce's scope

Commerce has defined the scope as follows:

> *…certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications.*
>
> *Included products are those in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:*
>
> *2.50 percent of manganese, or*
> *3.30 percent of silicon, or*
> *1.50 percent of copper, or*
> *1.50 percent of aluminum, or*
> *1.25 percent of chromium, or*
> *0.30 percent of cobalt, or*
> *0.40 percent of lead, or*
> *2.0 percent of nickel, or*
> *0.30 percent of tungsten, or*
> *0.80 percent of molybdenum, or*
> *0.10 percent of niobium (also called columbium), or*
> *0.30 percent of vanadium, or*
> *0.30 percent of zirconium*[14]

[14] 81 FR 62865 and 81 FR 62874, September 13, 2016.

U.S. tariff treatment

HWR tubular products are currently provided for in HTS subheadings 7306.61.10[15] and 7306.61.30.[16] HWR tubular products originating in Korea, Mexico, and Turkey are imported into the U.S. market at a column 1-general duty rate of "Free."[17] Effective March 23, 2018, HWR tubular products were included in the enumeration of iron and steel articles that became subject to an additional 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended.[18] At this time, imports of HWR tubular products originating in Mexico are exempt from Section 232 duties or quotas; imports of HWR tubular products originating in Korea are exempt from duties with an annual quota (of 54,004 metric tons (59,529 short tons) in 2021) for structural pipe and tube, which also includes out-of-scope products;[19] and imports of HWR tubular products originating in Turkey and most other U.S. trade partners[20] are subject to the 25 percent additional duties.[21] Finally, effective September 1, 2019, imports of

[15] This classification contains iron and nonalloy steels with alloy metal contents within the scope of these reviews.

[16] This classification for alloy steels contains other products outside the scope of these reviews.

[17] HTSUS (2021) Basic Revision 7, USITC Publication 5224, August 2021, p. 73-19.

[18] Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. §1862), authorizes the President, on advice of the Secretary of Commerce, to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018 (83 FR 11625, March 15, 2018).

[19] Quota ID No. 9903.80.23: Structural pipe and tube. See the CBP quota bulletin No. QB 21-602 2021, April 9, 2021, at https://www.cbp.gov/trade/quota/bulletins/qb-21-602-2021-2qtr-absolute-steel-mill-articles-argentina-brazil-and-south-korea for a full list of product groups as well as their specified quotas and HTS definitions.

[20] Nonsubject imports of HWR tubular products originating in Australia and Canada are exempt from Section 232 duties; and such nonsubject imports originating in Argentina and Brazil are also exempt from duties within annual quotas for structural pipe and tube, which also includes out-of-scope products, of 2.4 metric tons (2.6 short tons) with respect to Argentina and 642 metric tons (708 short tons) with respect to Brazil. Ibid.

[21] The President also issued subsequent Proclamations to exempt or adjust these duties for selected U.S. trade partners:

- Presidential Proclamation 9711, March 22, 2018 (83 FR 13361, March 28, 2018) exempted iron and steel mill products originating in Argentina, Australia, Brazil, Canada, the EU member states (including the United Kingdom), Korea, and Mexico, as of March 23, 2018.
- Presidential Proclamation 9740, April 30, 2018 (83 FR 20683, May 7, 2018) continued the duty exemptions for Argentina, Australia, Brazil, but with annual import quota limits on iron and steel mill products originating in Korea, as of May 1, 2018; and did not continue the duty exemptions on iron and steel mill products originating in Canada, Mexico, and the EU member states (including the United Kingdom), as of June 1, 2018.

(*continued*...)

nonsubject HWR tubular products originating in China became subject to an additional 7.5 percent ad valorem duty under Section 301 of the Trade Act of 1974, as amended.[22] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Description and uses[23]

The products covered by these reviews are rectangular (including square) welded carbon steel tubing having a wall thickness of 4 mm (0.157 inch) or greater. Although square

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- Presidential Proclamation 9759, May 31, 2018 (83 FR 25857, June 5, 2018) continued the duty exemptions but with annual import quota limits on iron and steel mill products originating in Argentina, Brazil, and Korea, as of June 1, 2018.
- Presidential Proclamation 9772, August 10, 2018 (83 FR 40429, August 15, 2018) continued the duty exemptions on iron and steel mill products originating in Australia; continued the duty exemptions with annual import quota limits on iron and steel mill products originating in Argentina, Brazil, and Korea, as of June 1, 2018; but doubled the duty rate to 50 percent on such imported products originating in Turkey, as of August 13, 2018.
- Presidential Proclamation 9886, May 16, 2019 (84 FR 23421, May 21, 2019) restored the original additional duty rate of 25 percent on steel mill products originating from Turkey, as of May 21, 2019.
- Presidential Proclamation 9894, May 19, 2019 (84 FR 23987, May 23, 2019) restored the duty exemptions on steel mill products originating in Canada and Mexico, as of May 20, 2019.

See also HTS heading 9903.80.01 and U.S. notes 16(a), 16(b), and 16(e) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTSUS (2021) Basic Revision 7, Publication 5224, August 2021, pp. 99-III-5 – 99-III-7, 99-III-234, 99-III-237, 99-III-242.

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

Effective September 1, 2019, USTR included cold-rolled steel in its $300 Billion Trade Action (List 4 or Tranche 4, Annex A) of products originating in China subject to an initial 10 percent ad valorem duty (84 FR 43304, August 20, 2019) which was subsequently raised to 15 percent ad valorem, with the same effective date of September 1, 2019 (84 FR 45821, August 30, 2019), but was more recently reduced to 7.5 percent ad valorem, effective February 14, 2020 (85 FR 3741, January 22, 2020).

See also HTS heading 9903.88.15 and U.S. notes 20(r) and 20(s) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTSUS (2021) Basic Revision 7, Publication 5224, August 2021, pp. 99-III-82 – 99-III-84, 99-III-94, 99-III-246, 99-III-248 – 99-III-251.

[23] Unless otherwise noted, this information is based on Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey, Investigation Nos. 701-TA-539 and 731-TA-1280-1282 (Final), USITC Publication 4633, September 2016 ("Original publication"), p. I-12.

and rectangular tubing of any outside dimensions is covered, these products are commonly supplied in rectangular cross sections ranging from 3-by-2 inches to 20-by-12 inches and in square cross sections ranging from 1.5 to 20 inches. U.S. producers supply HWR tubular products in the lengths specified by their customers, generally from 20 to 42 feet. Distributors order sizes and lengths that they consider suitable for cutting to the actual lengths required by end users with minimal waste. HWR tubular products are used in construction applications for support and for load-bearing purposes, as well as in transportation, farm, and material-handling equipment. The products are generally manufactured to ASTM specification A 500, grade B, and are commonly referred to in the industry as "structural tubing" or as "hollow structural sections."

Manufacturing process[24]

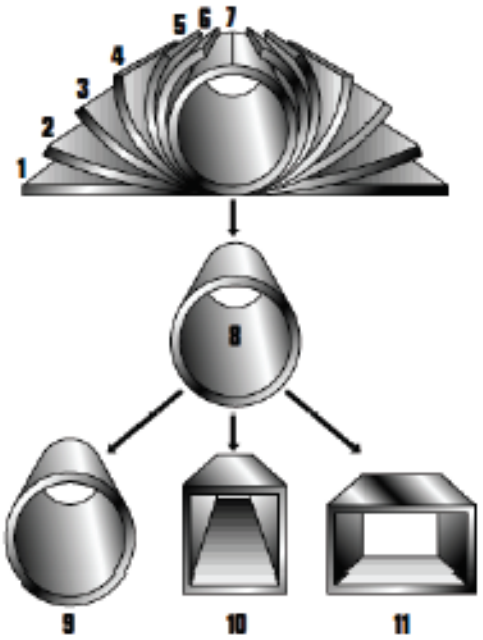
HWR tubular products are manufactured in tube mills by initially straightening out coiled flat-steel sheet or strip and subsequently feeding it through a progressive series of rolls to produce a round tube. The edges of the steel are heated by electrical resistance and forged together to create a continuous longitudinal weld along the joint axis without addition of filler metal.[25] After the weld seam is cooled, the excess "flash" material[26] is removed from the exterior of the tube. The round tube is then processed through a further set of shaping rolls to cold form it into a square or rectangular section (figure I-1). The tube is then cut to the ordered length, utilizing a circular saw synchronized with the movement of the tube.

[24] Unless otherwise noted, this information is based on the Original publication, pp. I-12–I-13.

[25] Welding is primarily by the electric-resistance welding ("ERW") process in which the edges of the steel are mechanically pressed together and welded. The heat for welding is generated by resistance of the steel to the flow of an electric current. In one process, a low frequency current (typically 60 to 360 hertz) is conducted to the strip edges by a pair of copper alloy discs which rotate as the pipe is propelled beneath them. A second variation uses a high frequency current (in the range of 400 to 500 kilohertz), which enters the tubing through sliding contacts. An induction coil can also be used with the high frequency current to induce current in the edges of the steel. No direct contact between the induction coil and the tubing is required.

[26] For more details about flash welding, see: Lawrence E. Moss, "Comparing Flash and Butt Welding," The Fabricator, February 28, 2002, https://www.thefabricator.com/thefabricator/article/tubepipefabrication/comparing-flash-and-butt-welding.

Figure I-1
Round tube process



Source: Steel Tube Institute.

Some producers utilize an alternative method of producing HWR tubular products, the "form-square weld-square process." Forming rolls progressively shape the top two corners of a square or rectangular tube in the initial forming stations. Subsequent stations form the bottom two corners of the shape and the seam is welded by electrical resistance when it is near its final shape. The outside flash is subsequently removed, and the tube is formed to its final shape in a series of sizing rolls (figure I-2). Finally, the tube is cut to length by a synchronized saw.

Figure I-2
Form-square weld-square process

Source: Steel Tube Institute.

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 14 firms. Staff believed that these responses represented virtually all U.S. production of HWR tubular products during 2015.[27]

In response to the Commission's notice of institution in these current reviews, the domestic interested parties noted, "The six Domestic Producers believe that they account for the vast majority of HWR production in the United States and are unaware one of any other domestic producers of HWR."[28] Staff research, however, suggests that there are at least two other domestic producers of HWR tubular products not accounted for by the domestic interested parties.

Recent developments

Since the Commission's original investigations, the following developments have occurred in the HWR tubular products industry.

The HWR tubular products industry expanded in the United States with plant openings by new and existing domestic producers since the original investigations. A series of corporate mergers and acquisitions contributed to a more concentrated industry without either corporate exits or permanent facilities closures. Axis Pipe & Tube ("Axis"),[29] Atlas, Bull Moose, Nucor, and Zekelman Industries Inc. opened or are planning to construct new plants. American Tube Manufacturing Inc. ("ATMI")[30] and Bull Moose upgraded the operations at their existing plants. Nucor and Zekelman Industries further enhanced their presence in the domestic industry through corporate acquisitions of smaller producers. Zekelman Industries announced bonuses

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

[28] Domestic interested parties' response to the notice of institution, September 1, 2021, p. 20.

[29] Axis, as a subsidiary of Productos Laminados De Monterrey, S.A. de C.V. ("Prolamsa") since 2014, is not included in the coverage figure in table I-1. Prolamsa USA, "History," no date, https://www.prolamsausa.com/history/.

[30] ATMI, a subsidiary of Zekelman Industries, was renamed as "Atlas" in August 2017 and is included as part of the coverage figure in table I-1. Zekelman Industries, "American Tube Manufacturing Renamed Atlas Tube – Birmingham," News release, August 21, 2017, https://www.zekelman.com/news/american-tube-manufacturing-renamed-atlas-tube-birmingham/; PR Newswire, "American Tube Manufacturing Renamed Atlas Tube – Birmingham," News release, August 21, 2017, https://www.prnewswire.com/news-releases/american-tube-manufacturing-renamed-atlas-tube--birmingham-300506655.html.

for its employees in March 2018 and March 2021, beginning when the Section 232 steel import tariffs became effective and for as long as they remain in effect.

Table I-4 presents events in the U.S. industry since the original investigations.

Table I-4
HWR tubular products: Recent developments in the U.S. industry

Item	Firm	Event
Plant opening	Axis	March 2015— Axis commenced operations at its new highly automated, state-of-the-art, $150-million pipe facility in Bryan, Texas, which is anticipated to employ more than 285 workers upon reaching its full 300,000-plus short tons annual production capacity. In addition to oil country tubular goods ("OCTG") and line pipe, this facility also produces round, square, and rectangular hollow structural sections and pipes up to ⅝-inch (15.9 mm) thick and 60-feet long, meeting ASTM A500 and other international standards.
Plant opening	Atlas	September 2021— Atlas is scheduled to open a new mill (announced back in May 2019) at its Blytheville, Arkansas facility, which parent-company Zekelman Industries claims is the world's largest continuous, electric-resistance welding ("ERW") pipe mill.
New plant announcement	Atlas	May 2019— Zekelman Industries announced plans to construct a new $150-million pipe mill at its Blytheville, Arkansas facility to meet builder and fabricator demand for domestically produced, welded hollow structural sections ("HSS") larger than 16 inches square. This continuous ERW pipe mill, being designed to produce 400,000 short tons annually of piling and HSS will be the largest in the world according to Zekelman Industries. This mill will produce round sections (with outer diameters ranging from 10¾ to 28 inches and wall thickness up to 1 inch), square HSS (from 8 to 22 inches), and rectangular HSS (up to 34 inches by 10 inches). Production flexibility and efficiency features include quick product changeover times in less than an hour, special forming and sizing technology for precise diameter-wall thickness dimensional tolerance control, and operating speeds reaching 35 meters per minute.
New plant announcement	Nucor	March 2021— Nucor selected its existing steel sheet facility in Gallatin, Kentucky for constructing a new tube mill, to take advantage of prior capacity-expansion investments of and for an opportunity to add a galvanizing line to the Gallatin sheet mill. This $164-million investment project is anticipated to commence operations by mid-2023 and create more than 70 new full-time jobs. The new tube mill will have the annual capacity to produce approximately 250,000 short tons of HSS steel tubing, mechanical steel tubing, and galvanized solar torque tube. This new tube mill is also located near expanding solar markets in and the largest consuming regions for HSS steel tubing, according to Nucor.

Table continued.

Table I-4 – continued.
HWR tubular products: Recent developments in the U.S. industry

Item	Firm	Event
New plant announcement	Bull Moose	June 2021— Bull Moose announced its plans to construct a new 350,000 short tons per year HSS and sprinkler pipe mill. The mill will be built at Steel Dynamics Inc's. ("SDI") new flat-rolled facility in Sinton, Texas. The new mill, anticipated to start-up by early-2023, will produce square (from 4 inches up to 14 inches) and round (with outer diameters ranging from 5 inches up to 18 inches) steel pipes, up to 80 feet in length, and with thicknesses ranging from 0.187-inch (4.7 mm) to 0.750-inch (19.1 mm).
Plant upgrades	ATMI	January 2017— ATMI placed additional equipment orders with the SMS Group for the 16-inch steel tube welding line at its Blytheville, Arkansas facility, which was previously extended and modernized with SMS Group equipment. A new sizing section will both expand the product range and improve productivity, by reducing size changing times, when rolling round structural tubes (with outside diameters up to 18 inches), square HSS (up to 14 inches by 14 inches), and rectangular HSS (up to 18 inches by 10 inches), with wall thickness up to 17.3 mm (0.681 inch). A new arc-welding system will be installed to optimize the cross-welding process, particularly for welding with heavy-walled tubular products, with digital control of the welding current for the welding machines to attain an efficiency rate exceeding 90 percent. The arc-welding system will further improve process stability.
Plant upgrades	Bull Moose	January 2021— Bull Moose announced the completion of several multi-million-dollar capital investment projects in new high-performance equipment to optimize the operational capabilities (enhanced product quality, increased production efficiency and reliability, and enhanced operational flexibility) at two of its largest tubular facilities located in Elkhart, Indiana and Trenton, Georgia. The new high-performance equipment includes upgraded drive and automation control systems, new induction units, and sizing sections upgraded with state-of-the-art quality-assurance capabilities and upgraded cutoff quality and length accuracy.
Acquisition	Maruichi	March 2015— Maruichi Steel Tube Ltd. ("MKK") reached an agreement for its subsidiary Maruichi Oregon Steel Tube ("MOST") to acquire from Evraz Inc. NA, Evraz Oregon Steel Structural Tubing, the structural tube division of EVRAZ Oregon Steel. This facility in Portland, Oregon, produces square and rectangular HSS with an annual production capacity of 150,000 short tons.
Acquisition	Nucor	November 2016— Nucor completed its $435-million acquisition of Independence Tube Corp., now part of Nucor Tubular Products. With four facilities in Alabama and Illinois, having a combined annual production capacity of 600,000 short tons, Independence held the second-largest share of the HSS market and sold its products predominantly through service centers.

Table continued.

Table I-4 – continued.
HWR tubular products: Recent developments in the U.S. industry

Item	Firm	Event
Acquisition	Nucor	December 2016— Nucor announced its $130-million agreement to acquire Southland Tube Inc., an independent manufacturer of HSS steel tubing. Southland Tube operates at a single facility, employing 280 non-unionized workers, located in Birmingham, Alabama, which is considered well situated to serve the HSS market. With annual shipments of about 240,000 short tons, Southland Tube held the third-largest share of the HSS market.
Acquisition	Atlas	February 2017— Zekelman Industries Inc. entered into the southeastern U.S. market for structural tubular steel products via its acquisition of ATMI a Birmingham, Alabama producer of round, square, and rectangular HSS, which became a part of the Atlas Tube division of Zekelman Industries.
Acquisition	Atlas	August 2017— ATMI was renamed "Atlas Tube – Birmingham" as a subsidiary of Zekelman Industries.
Acquisition	Tenaris S.A.	January 2020— Tenaris S.A. announced completing its $1.067 billion acquisition of Ipsco Tubulars Inc., Houston, Texas, from parent-company PAO TMK.
Employee bonuses	Atlas	March 2018— The executive chairman and chief executive officer announced that all 2,300 Zekelman Industries employees (including those at Atlas) will receive a $1,000 annual bonus beginning when the Section 232 steel import tariffs become effective and for as long as they remain in effect.
Employee bonuses	Atlas	March 2021— Zekelman Industries announced that every employee (including those at Atlas) will once again receive a $1,000 annual bonus. According to the firm's executive chairman, "{T}he drop in imports resulting from these tariffs has created tremendous opportunities for domestic steel manufacturers. Zekelman Industries has been able to increase our investments into our business units and communities, hire more teammates and increase our capital expenditures to levels that were unthinkable just a few years ago. Since the 232 tariffs came into effect, we have increased our capital investments more than $350 million over historical levels, hired over 400 new teammates (to full-time, well-paying jobs) and paid over $10.3 million in annual 232 bonuses to our teammates."

Source: Axis, "Standard Pipe and HSS," ©2014, https://www.axispipeandtube.com/standardpipehss.html; AIST, "Axis Pipe and Tube Receives API Certifications; Axis, "Starts Operations in Texas," Steel News, March 9, 2021 https://www.aist.org/news/steel-news/2015/march/9-13-march-2015/axis-pipe-and-tube-receives-american-petroleum-ins; Zekelman Industries, "Zekelman Industries Nears Completion of World's Largest Continuous ERW Mill," News release, April 6, 2021, https://www.zekelman.com/news/zekelman-industries-nears-completion-of-worlds-largest-continuous-erw-mill/; AIST, "Zekelman Industries Tube Mill Remains on Schedule," Steel News, April 6, 2021, https://www.aist.org/news/steel-news/2021/april/5-9-april-2021/zekelman-industries-tube-mill-remains-on-schedule; Zekelman Industries, "Zekelman Industries to Build Largest Continuous ERW Tube Mill in Blytheville," News release, July 30, 2019, https://www.zekelman.com/news/zekelman-industries-to-build-largest-continuous-erw-tube-mill-in-blytheville/;

Table source and notes continued.

Table I-4 – continued.
HWR tubular products: Recent developments in the U.S. industry

Source (continued): Zekelman Industries, "Construction of the Largest Continuous ERW Tube Mill," News release, May 7, 2019, https://www.zekelman.com/news/construction-of-the-largest-continuous-erw-tube-mill/; AIST, "SMS Group Wins Order for US$150 Million Structural Tube Mill," Steel News, May 10, 2019, https://www.aist.org/news/steel-news/2019/may/5-19-may-2019/sms-group-wins-order-for-us$150-million-structural/; Nucor, "Nucor to Build New Tube Mill in Kentucky Near its Gallatin Sheet Mill," News release, March 25, 2021, https://www.nucor.com/news-release/#item=17871; Bull Moose, "Bull Moose Tube Announces Plans to Construct a New HSS and Sprinkler Pipe Mill in Sinton, Texas," News release, June 4, 2021, https://www.bullmoosetube.com/bull-moose-tube-announces-plans-to-construct-a-new-hss-and-sprinkler-pipe-mill-in-sinton-texas/; SMS Group, "Zekelman Industries Places Orders with SMS Group for Modernization of ERW Tube Lines," Press release, January 24, 2017, https://www.sms-group.com/press-media/press-releases/press-detail/zekelman-industries-places-orders-with-sms-group-for-modernization-of-erw-tube-lines-689/; Bull Moose, "Bull Moose Tube Announces Completion Of Capital Investment Upgrades At Its Two Largest Facilities," News release, January 12, 2021, https://www.bullmoosetube.com/bull-moose-tube-announces-completion-of-capital-investment-upgrades-at-its-two-largest-facilities/; MOST, "Acquisition of Evraz Oregon Steel Structural Tubing," News release, March 5, 2015, http://most.us.com/most/wp-content/themes/maruichi/pdf/pdf150305.pdf; MOST, "MOST History," ©2021, http://most.us.com/about-us/most-history/; Nucor, "Nucor Completes Acquisition of Independence Tube Corporation," News release, November 1, 2016, https://www.nucor.com/news-release/#item=10061; Nucor, "Nucor to Acquire Independence Tube Corporation," News release, September 19, 2016, https://www.nucor.com/news-release/#item=10026; Nucor, "Nucor to Acquire Southland Tube," News release, December 6, 2016, https://www.nucor.com/news-release/#item=10076; Zekelman Industries, "Zekelman Industries Acquires American Tube Manufacturing Inc.," News release, March 21, 2017, https://www.zekelman.com/news/zekelman-industries-acquires-american-tube-manufacturing-inc/; AIST, "Acquisition Extends Zekelman Industries' Reach in Hollow Structural Sections Market," Steel News, February 23, 2017, https://www.aist.org/news/steel-news/2017/february/20-24-february-2017/acquisition-extends-zekelman-industries-reach-in; PR Newswire, "Zekelman Industries Acquires American Tube Manufacturing Inc.," News release, February 22, 2017, https://www.prnewswire.com/news-releases/zekelman-industries-acquires-american-tube-manufacturing-inc-300411162.html; Zekelman Industries, "American Tube Manufacturing Renamed Atlas Tube – Birmingham," News release, August 21, 2017, https://www.zekelman.com/news/american-tube-manufacturing-renamed-atlas-tube-birmingham/; PR Newswire, "American Tube Manufacturing Renamed Atlas Tube – Birmingham," News release, August 21, 2017, https://www.prnewswire.com/news-releases/american-tube-manufacturing-renamed-atlas-tube--birmingham-300506655.html; Tenaris, "Tenaris Completes Acquisition of Ipsco Tubulars from TMK," Press release, January 2, 2020, https://ir.tenaris.com/static-files/f436177d-7fa4-441c-a921-4943f1d909ec; Zekelman Industries, "Zekelman Industries Celebrates Steel Trade Policy Changes with Employee Bonus," News release, March 1, 2018, https://www.zekelman.com/news/zekelman-industries-celebrates-steel-trade-policy-changes-employee-bonus/; Zekelman Industries, "Zekelman Industries Celebrates Anniversary and Continuation of Section 232 Duties on Steel with Employee Bonus," News release, March 19, 2021, https://www.zekelman.com/news/zekelman-industries-celebrates-anniversary-and-continuation-of-section-232-duties-on-steel-with-employee-bonus/.

Note: Axis and Tenaris, not being among the domestic interested parties, are not included the coverage figure in table I-1.

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.[31] Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations.

Table I-5: HWR tubular products: Trade and financial data submitted by U.S. producers, by period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short tons; ratio is in percent

Item	Measure	2013	2014	2015	2020
Capacity	Quantity	2,756,509	2,744,367	2,666,239	***
Production	Quantity	1,766,821	1,794,886	1,590,394	***
Capacity utilization	Ratio	64.1	65.4	59.6	***
U.S. shipments	Quantity	1,651,115	1,656,680	1,542,054	***
U.S. shipments	Value	1,415,007	1,467,921	1,110,766	***
U.S. shipments	Unit value	857	886	720	***
Net sales	Value	1,515,133	1,574,190	1,163,246	***
COGS	Value	1,302,168	1,366,092	1,018,339	***
COGS to net sales	Ratio	85.9	86.8	87.5	***
Gross profit or (loss)	Value	212,965	208,098	144,907	***
SG&A expenses	Value	73,063	90,725	76,582	***
Operating income or (loss)	Value	139,902	117,373	68,325	***
Operating income or (loss) to net sales value	Ratio	9.2	7.5	5.9	***

Source: For the years 2013-15, data are compiled using data submitted in the Commission's original investigations. For the year 2020, data are compiled using data submitted by domestic interested parties. Domestic interested parties' supplemental response, September 20, 2021, exh. 2.

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

[31] 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.[32]

In its original determinations, the Commission defined the Domestic Like Product as consisting of heavy walled rectangular welded carbon steel pipes and tubes that were coextensive with Commerce's scope.[33] In their response to the notice of institution, the domestic interested parties noted, "In the Commission's original determination, the domestic like product was defined as all HWR, co-extensive with the scope, and no domestic producers were excluded from the domestic industry. The Domestic Producers agree with these definitions and do not contest them at this time." The domestic interested parties also noted, "None of the Domestic Producers are related to a foreign producer of subject merchandise within the meaning of 19 U.S.C. § 1677(4)(B)… None of the Domestic Producers are importers of subject merchandise."[34]

[32] Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).
[33] 86 FR 41511, August 2, 2021.
[34] Domestic interested parties' response to the notice of institution, September 1, 2021, pp. 19-21.

U.S. imports

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 36 firms, representing 76.6 percent of U.S. imports from subject countries and 76.4 percent of U.S. imports from nonsubject countries in 2015, under HTS subheadings 7306.61.10 and 7306.61.30. Import data presented in the original investigations are based on official Commerce statistics.[35]

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 nine potential U.S. importers of HWR tubular products from Korea, Turkey, and Mexico.[36]

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from Korea, Mexico, and Turkey as well as the other top sources of U.S. imports reported under HTS statistical reporting numbers 7306.61.1000 and 7306.61.3000 (shown in descending order of 2020 imports by quantity), during the 2016-20 period. As noted, HWR tubular products were included in the enumeration of iron and steel articles that became subject to an additional 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended. No imports from Turkey were reported in 2020 under HTS statistical reporting numbers 7306.61.1000 or 7306.61.3000.

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

[36] Six of the companies were listed as importers of HWR tubular products from Korea, two of the companies were listed as importers of HWR tubular products from Turkey, and one of the companies was listed as an importer of HWR tubular products from Mexico. Domestic interested parties' response to the notice of institution, September 1, 2021, exh. 24.

Table I-6
Certain other welded tubes, pipes and hollow sections, of square or rectangular cross section: U.S. imports, by source and period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short tons

U.S. imports from	Measure	2016	2017	2018	2019	2020
Korea	Quantity	65,995	76,862	46,437	40,517	21,607
Mexico	Quantity	42,131	63,445	49,737	46,773	51,473
Turkey	Quantity	9,167	17,253	13,010	4,919	0
Subject sources	Quantity	117,293	157,560	109,184	92,208	73,080
Canada	Quantity	261,275	279,829	232,413	235,390	263,814
All other sources	Quantity	48,023	93,231	65,889	40,727	30,450
Nonsubject sources	Quantity	309,298	373,060	298,302	276,117	294,264
All import sources	Quantity	426,591	530,620	407,485	368,326	367,344
Korea	Value	34,145	48,196	35,518	33,863	13,243
Mexico	Value	28,131	45,650	47,649	41,584	38,830
Turkey	Value	4,827	9,843	14,904	3,109	0
Subject sources	Value	67,103	103,690	98,071	78,556	52,073
Canada	Value	206,477	261,492	259,293	223,961	224,319
All other sources	Value	57,635	113,472	105,806	71,809	62,103
Nonsubject sources	Value	264,113	374,964	365,099	295,770	286,422
All import sources	Value	331,215	478,654	463,171	374,327	338,495
Korea	Unit value	517	627	765	836	613
Mexico	Unit value	668	720	958	889	754
Turkey	Unit value	527	571	1,146	632	-
Subject sources	Unit value	572	658	898	852	713
Canada	Unit value	790	934	1,116	951	850
All other sources	Unit value	1,200	1,217	1,606	1,763	2,040
Nonsubject sources	Unit value	854	1,005	1,224	1,071	973
All import sources	Unit value	776	902	1,137	1,016	921

Source: Compiled from official Commerce statistics under HTS statistical reporting numbers 7306.61.1000 and 7306.61.3000, accessed September 3, 2021.

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

Note: HTS statistical reporting numbers 7306.61.1000 and 7306.61.3000 contain other products outside the scope of these reviews.

Cumulation considerations[37]

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of

[37] Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting numbers 7306.61.1000 and 7306.61.3000.

competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.[38]

Between 2016 and 2020, imports from Korea were reported in 56 of the 60 months, imports from Mexico were reported in all 60 months, and imports from Turkey were reported in 21 of the 60 months (with no imports from Turkey reported in 2020 and imports from Turkey only reported in the month of June in 2019).

Between 2016 and 2020, the vast majority of imports from Korea entered through the western border[39] (between 83 and 95 percent of imports from Korea per year) with the next largest share of imports from Korea entering through the southern border[40] (between 5 and 17 percent of imports from Korea per year). The small remainder of imports from Korea (less than 1 percent in each year) entered through the eastern border[41] between 2016 and 2019, and no imports from Korea entered through the northern border[42] during the period. Comparatively, the vast majority of imports from Mexico entered through southern border between 2016 and 2020 (over 99 percent of imports from Mexico arrived through the southern border in each year). The majority of imports from Turkey also arrived through the southern border between 2016 and 2019 (no imports from Turkey were reported in 2020). The shares of imports from Turkey that entered through the southern border were 94 percent in 2016, 78 percent in 2017, 80 percent in 2018, and 100 percent in 2019. Between 2016 and 2018, the eastern border was the entry point with the second highest share of imports from Turkey (between 6 and 22 percent). Between 2016 and 2020, less than 1 percent of imports from Turkey arrived through the western border, and no imports from Turkey arrived through the northern border.

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

[39] The western border encompasses the following customs entry districts: Anchorage, Alaska; Los Angeles, San Diego, and San Francisco, California; Honolulu, Hawaii; Columbia-Snake, Oregon; and Seattle, Washington.

[40] The southern border encompasses the following customs entry districts: Mobile, Alabama; New Orleans, Louisiana; Miami and Tampa, Florida; and Dallas-Fort Worth, El Paso, Houston-Galveston, and Laredo, Texas.

[41] The eastern border encompasses the following customs entry districts: Washington, DC; Savannah, Georgia; Boston, Massachusetts; Baltimore, Maryland; Portland, Maine; Charlotte, North Carolina; Buffalo, New York, and Ogdensburg, New York; Philadelphia, Pennsylvania; San Juan, Puerto Rico; Charleston, South Carolina; Norfolk, Virginia; and St. Albans, Vermont.

[42] The northern border encompasses the following customs entry districts: Chicago, Illinois; Detroit, Michigan; St. Louis, Missouri; Duluth and Minneapolis, Minnesota; Great Falls, Montana; Pembina, North Dakota; and Cleveland, Ohio.

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
Product: Apparent U.S. consumption and market shares, by source and period

Quantity in short tons; value in 1,000 dollars; share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent

Source	Measure	2013	2014	2015	2020
U.S. producers	Quantity	1,651,115	1,656,680	1,542,054	***
Korea	Quantity	57,347	83,326	76,183	21,607
Mexico	Quantity	66,464	72,363	46,647	51,473
Turkey	Quantity	48,123	63,353	36,294	0
Subject sources	Quantity	171,935	219,042	159,123	73,080
Nonsubject sources	Quantity	179,959	215,589	260,634	294,264
Total imports	Quantity	351,893	434,631	419,757	367,344
Apparent U.S. consumption	Quantity	2,003,008	2,091,311	1,961,811	***
U.S. producers	Value	1,415,007	1,467,921	1,110,766	***
Korea	Value	38,601	56,619	46,221	13,243
Mexico	Value	53,200	55,240	32,308	38,830
Turkey	Value	35,876	46,973	24,486	0
Subject sources	Value	127,678	158,832	103,015	52,073
Nonsubject sources	Value	169,259	204,627	213,937	286,422
All import sources	Value	296,937	363,459	316,952	338,495
Apparent U.S. consumption	Value	1,711,944	1,831,380	1,427,718	***
U.S. producers	Share of quantity	82.4	79.2	78.6	***
Korea	Share of quantity	2.9	4.0	3.9	***
Mexico	Share of quantity	3.3	3.5	2.4	***
Turkey	Share of quantity	2.4	3.0	1.9	***
Subject sources	Share of quantity	8.6	10.5	8.1	***
Nonsubject sources	Share of quantity	9.0	10.3	13.3	***
All import sources	Share of quantity	17.6	20.8	21.4	***
U.S. producers	Share of value	82.7	80.2	77.8	***
Korea	Share of value	2.3	3.1	3.2	***
Mexico	Share of value	3.1	3.0	2.3	***
Turkey	Share of value	2.1	2.6	1.7	***
Subject sources	Share of value	7.5	8.7	7.2	***
Nonsubject sources	Share of value	9.9	11.2	15.0	***
All import sources	Share of value	17.3	19.8	22.2	***

Source: For the years 2013-15, data are compiled using data submitted in the Commission's original investigations. 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 7306.61.1000 and 7306.61.3000, accessed September 3, 2021.

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

The industry in Korea

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from one firm, which accounted for approximately *** percent of production of HWR tubular products in Korea during 2015, and approximately *** percent of HWR tubular products exports from Korea to the United States during 2015.[43]

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 28 possible producers and/or exporters of HWR tubular products in Korea.[44]

Since the Commission's original investigations, events in the HWR tubular products industry in Korea included a plant completion and a plant sale, along with corporate mergers, and the patenting of a new forming process for HWR tubular products.

Table I-8 presents events in the Korean industry since the original investigations.

[43]Investigation Nos. 701-TA-539 and 731-TA-1280-1282 (Final): Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey, Confidential Report, INV-OO-065, August 4, 2016 ("Original confidential report"), p. VII-3.

[44] Domestic interested parties' response to the notice of institution, September 1, 2021, exh. 25.

Table I-8
HWR tubular products: Recent developments in the Korean industry

Item	Firm	Event
Corporate merger	Dong-A Steel Co. Ltd.	July 2018— Structural steel pipe and channels producer Dong-A Steel was merged into a subsidiary of SeAH Group.
Corporate merger	KG Dongbu Steel Co. Ltd. ("Dongbu")	March 2020— Dongbu Steel Co. Ltd. merged with the former Dongbu Group's previously divested (back in 2014) Dongbu Incheon Steel Co. Ltd., that also produces uncoated and coated flat-rolled products and steel pipes.
New plant	Hanjin Steel Pipe Co. Ltd. ("Hanjin")	March 2020— Hanjin completed the construction of its Factory No. 2 in Cheonan with an annual production capacity of 100,000 metric (110,000 short) tons of steel tubular products.
Patent acquisition	HiSteel Co. Ltd.	March 2020— HiSteel patented a new forming process that does not require mold replacements for production of anti-seismic square hollow sections.
Plant sale	HiSteel Co. Ltd.	January 2017— HiSteel completed the sale of its Incheon No. 2 Plant after deciding to sell the facility back in September 2016.

Source: Hanjin, "Company Information, History," ©2020, http://www.hanjinpipe.co.kr/eng/about/company_information.html; HiSteel, "Company, History," ©2019, http://hi-steel.co.kr/; Dong-A, "Company Overview," ©2020, http://www.dosco.com/page/company/info; Dongbu, Written submission to the Australian Anti-Dumping Commission, Department of Industry, Science, Energy and Resources, May 27, 2020, https://www.industry.gov.au/sites/default/files/adc/public-record/521_-_032_-_submission_-_exporter_-_kg_dongbu_steel_co._ltd._-_notice_on_company_name_change.pdf; Matthew, Dongbu Steel's Deal Puts POSCO at a Loss," Business Korea, February 17, 2014, http://www.businesskorea.co.kr/news/articleView.html?idxno=3325; "Company, History," ©2019, http://hi-steel.co.kr/.

Table I-9 presents export data for rectangular tubular products, a category that includes HWR tubular products and out-of-scope products, from Korea (by export destination in descending order of quantity for 2020). The leading destination markets Australia (40.2 percent) and the United States (28.2 percent) together accounted for over two-thirds (68.4 percent) of Korea's total export quantities of rectangular tubular products in 2020.

Table I-9
Rectangular tubular products: Quantity/Value of exports from Korea, by destination and period

Quantity in short tons/Value in 1,000 dollars

Destination market	Measure	2016	2017	2018	2019	2020
Australia	Quantity	12,357	16,594	18,244	24,470	26,444
United States	Quantity	67,724	73,130	55,298	31,490	18,557
Taiwan	Quantity	4,963	5,646	5,963	6,809	6,645
Mexico	Quantity	714	3,319	4,059	2,352	2,993
Japan	Quantity	6,729	4,597	3,129	3,433	2,945
Vietnam	Quantity	544	869	7,954	2,636	2,769
New Zealand	Quantity	295	156	NR	2,010	1,701
Peru	Quantity	2,848	250	1,638	1,450	1,634
China	Quantity	668	1,122	694	511	832
Philippines	Quantity	496	3,605	211	162	689
All other markets	Quantity	12,934	3,782	2,585	1,923	570
All markets	Quantity	110,272	113,072	99,776	77,246	65,780
Australia	Value	7,381	11,078	13,545	17,482	17,213
United States	Value	33,675	41,676	40,378	22,359	10,263
Taiwan	Value	2,191	3,306	4,069	4,539	4,040
Mexico	Value	696	2,031	2,616	1,608	1,809
Japan	Value	3,908	3,173	2,485	2,618	2,265
Vietnam	Value	498	864	3,425	1,685	2,074
New Zealand	Value	161	108	NR	1,337	1,036
Peru	Value	1,244	105	1,117	831	890
China	Value	1,599	1,498	2,224	1,402	815
Philippines	Value	549	2,587	151	115	468
All other markets	Value	18,502	5,608	3,724	3,222	835
All markets	Value	70,405	72,036	73,735	57,198	41,708

Source: IHS Markit Ltd., Global Trade Atlas, HS subheading 7306.61, accessed September 3, 2021. These data may be overstated as HS subheading 7306.61 includes all rectangular (including square) tube, including product with a wall thickness less than 4mm, and stainless and other alloy steel tubular products outside the scope of these reviews.

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

Note: “NR” where not reported.

The industry in Mexico

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from eight firms, which accounted for *** percent of production of HWR tubular products in Mexico during 2015, and approximately 97.2 percent of HWR tubular products exports from Mexico to the United States during 2015.[45]

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 11 possible producers and/or exporters of HWR tubular products in Mexico.[46]

Since the Commission's original investigations, the HWR tubular products industry expanded in Mexico with the opening of four new plants. In addition, Ternium S.A. purchased an existing plant.

Table I-10 presents events in the Mexican industry since the original investigations.

Table I-10
HWR tubular products: Recent developments in the Mexican industry

Item	Firm	Event
Plant opening	Perfiles y Herrajes L.M. S.A. de C.V. ("Perfiles")	February 2016— Perfiles commissioned a fourth steel pipe mill with an output capacity of 3,000 metric tons (3,307 short tons) per month.
Plant opening	Productos Laminados De Monterrey, S.A. de C.V. ("Prolamsa")	Summer 2016— Prolamsa commissioned a new heavy-duty tube mill, originally designated for producing steel tubes for automotive and hydraulic applications.
Plant opening	Fortacero S.A. de C.V.	2017— Fortacero commenced operations at its new tube mill that produces various steel tubular products including rectangular.
Acquisition	Ternium S.A.	2017— Ternium purchased a facility with 5.0 million metric tons (5.5 million short tons) per year capacity in 2017. It also commenced operations in 2020 on a new hot-rolled steel mill at its facility in Pesquería, Nuevo León, with capacity to produce 4.4 million tons (4.9 million short tons) of hot-rolled steel annually, the substrate for the production of HWR tubular products. Ternium's announced goals with these expansions include increasing production of steel mill products for the automotive industry, machinery, energy, and construction sectors.
Plant opening	Productos Especializados de Acero ("PEASA")	2019— PEASA opened a new steel tubular products mill with a production capacity of 20,000 metric tons (22,046 short tons) per year.

Source: Domestic producers' response to notice of institution, September 1, 2021 pp. 12–13, exh. 7-10.

[45] Original confidential report, pp. VII-9-10.

[46] Domestic interested parties' response to the notice of institution, September 1, 2021, exh. 25.

Table I-11 presents export data for rectangular tubular products, a category that includes HWR tubular products and out-of-scope products, from Mexico (by export destination in descending order of quantity for 2018). Each year throughout 2016–20, the United States was the predominant market (97.5–100.0 percent) for Mexico's annual export quantities of rectangular tubular products.

Table I-11
Rectangular tubular products: Quantity/Value of exports from Mexico, by destination and period

Quantity in short tons/Value in 1,000 dollars

Destination market	Measure	2016	2017	2018	2019	2020
United States	Quantity	15,717,189	17,303,960	14,970,559	11,721,539	10,946,294
Guatemala	Quantity	182,044	137,200	118,732	81,156	NR
Cuba	Quantity	55,174	37,879	88,867	NR	NR
Costa Rica	Quantity	3,964	16,964	23,656	2,523	NR
Belize	Quantity	34,127	26,875	20,638	NR	NR
Honduras	Quantity	15,203	24,411	17,949	NR	NR
El Salvador	Quantity	35,285	22,794	14,894	NR	NR
Panama	Quantity	5,718	0.0	7,677	NR	NR
Nicaragua	Quantity	49,646	48,438	7,446	NR	NR
France	Quantity	NR	NR	5,635	NR	NR
All other markets	Quantity	19,902	130,212	7,382	0.0	0.0
All markets	Quantity	16,118,252	17,748,732	15,283,437	11,805,218	10,946,294
United States	Value	113,951	150,209	150,430	109,272	88,675
Guatemala	Value	1,292	1,253	1,238	788	NR
Cuba	Value	722	504	1,050	NR	NR
Costa Rica	Value	34	166	208	25	NR
Belize	Value	328	284	214	NR	NR
Honduras	Value	155	300	256	NR	NR
El Salvador	Value	262	206	145	NR	NR
Panama	Value	74	NR	86	NR	NR
Nicaragua	Value	416,131	487,733	72,476	NR	NR
France	Value	NR	NR	218,056	NR	NR
All other markets	Value	310	1,060	224	0.0	0.0
All markets	Value	117,544	154,471	154,142	110,085	88,675

Source: IHS Markit Ltd., Global Trade Atlas, HS subheading 7306.61, accessed September 3, 2021. These data may be overstated as HS subheading 7306.61 includes all rectangular (including square) tube, including product with a wall thickness less than 4mm, and stainless and other alloy steel tubular products outside the scope of these reviews.

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

Note: "NR" where not reported.

Note: "0.0" where less than either 0.5 short tons or $500.

The industry in Turkey

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for approximately *** percent of production of HWR tubular products in Turkey during 2015, and approximately 61.5 percent of U.S. imports of HWR tubular products from Turkey during 2015.[47]

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 nine possible producers and/or exporters of HWR tubular products in Turkey.[48]

Since the Commission's original investigations, the HWR tubular products industry expanded in Turkey with the opening of three new plants and through upgrades at an existing plant to start producing the subject product.

Table I-12 presents events in the Turkish industry since the original investigations.

Table I-12
HWR tubular products: Recent developments in the Turkish industry

Item	Firm	Event
Plant opening	Tosçelik Profil ve Sac Endüstrisi A.Ş ("Tosçelik")	2016— Tosçelik commissioned a new electric resistance-welded pipe and profile manufacturing facility and was recognized as "the Company with the Largest Export Breakthrough" by the Exporters Council of Turkey. Tosçelik produces electric resistance-welded industrial pipes and hollow sections that meet ASTM standard A500.
Plant opening	Özkan Demir Çelik San. A.Ş. ("Özkan")	2016— Özkan started-up its new Rolling Mill No. 6. Özkan Steel has a total rolling capacity of 700,000 metric tons (771,618 short tons) per year to produce special steel profiles and tubular products across a wide range of end-use industry sectors.
Plant opening	Yücel Boru ve Profil Endüstrisi A.Ş. ("Yücel")	May 2020— Yücel commenced operations at its precision tube facility in the Gebze Industrial Zone, which produces industrial tubes, square/rectangular section profiles, and steel structural profiles.
Plant upgrades	Agir Haddecilik A.S. ("Agir")	2016— Agir expanded its production capabilities to produce thicker tubular products, beyond the prior 1.20-mm limit, up to 6.00 mm thickness.

Source: Domestic producers' response to notice of institution, September 1, 2021 pp. 13–14, exh. 11-15; Agir, "History," ©2016, https://www.agirhaddecilik.com/tr/tarihce; "Pipe & Profile," ©2016, https://www.agirhaddecilik.com/tr/urunler/boru-profil.

[47] Original confidential report, pp. VII-17-18.

[48] Domestic interested parties' response to the notice of institution, September 1, 2021, exh. 25.

Table I-13 presents export data for rectangular tubular products, a category that includes HWR tubular products and out-of-scope products, from Turkey (by export destination in descending order of quantity for 2020). The leading destination markets Romania (23.9 percent), Iraq (20.8 percent), and the United Kingdom (10.6 percent) together accounted for over one-half (55.3 percent) of Turkey's total export quantities of rectangular tubular products in 2020.

Table I-13
Rectangular tubular products: Quantity/Value of exports from Turkey, by destination and period

Quantity in short tons/Value in 1,000 dollars

Destination market	Measure	2016	2017	2018	2019	2020
Romania	Quantity	105,364	148,588	167,749	168,524	231,086
Iraq	Quantity	303,852	293,365	139,916	169,975	201,271
United Kingdom	Quantity	134,680	151,167	144,881	144,572	102,464
Belgium	Quantity	26,960	38,933	48,855	65,456	68,349
Georgia	Quantity	40,545	47,403	37,909	41,953	52,605
Israel	Quantity	20,905	23,795	26,927	46,545	50,797
Yemen	Quantity	3,000	12,951	10,753	21,656	27,648
Ireland	Quantity	8,928	20,108	24,997	26,857	23,230
Germany	Quantity	32,123	42,010	44,412	16,543	20,975
Syria	Quantity	11,614	20,081	17,737	19,026	18,872
All other markets	Quantity	133,419	197,159	207,654	180,292	169,502
All markets	Quantity	821,390	995,560	871,789	901,399	966,798
Romania	Value	42,020	76,829	99,627	84,206	106,191
Iraq	Value	132,736	158,203	83,924	87,497	95,090
United Kingdom	Value	54,602	78,337	87,980	75,926	50,070
Belgium	Value	10,588	20,517	29,646	33,894	32,325
Georgia	Value	18,133	25,815	22,770	21,807	25,167
Israel	Value	9,352	12,946	17,281	27,026	27,458
Yemen	Value	1,512	7,205	7,111	12,906	14,456
Ireland	Value	3,598	10,453	14,984	13,593	11,106
Germany	Value	12,197	22,060	26,804	8,890	9,814
Syria	Value	4,794	10,745	10,063	9,670	8,888
All other markets	Value	61,396	113,016	136,394	105,636	91,788
All markets	Value	350,927	536,127	536,585	481,051	472,352

Source: IHS Markit Ltd., Global Trade Atlas, HS subheading 7306.61, accessed September 3, 2021. These data may be overstated as HS subheading 7306.61 includes all rectangular (including square) tube, including product with a wall thickness less than 4mm, and stainless and other alloy steel tubular products outside the scope of these reviews.

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

Third-country trade actions

Recent antidumping and countervailing duty actions undertaken by Australia on imports of hollow structural sections and by Canada on imports of structural tubing (both including HWR tubular products) originating in the subject countries are shown in table I-14.

Table I-14
HWR tubular products: Antidumping and countervailing duty actions in third-country markets

Third country market and subject product	Actions and dates	Subject sources and duty rates
Australia: Hollow structural sections (welded steel hollow structural sections, of circular or noncircular cross sections, with either galvanized or non-galvanized finishes).	Review, measures continued, March 9, 2021	Korea: Interim dumping duties (0 – 2.8 percent)
Canada: Structural tubing (welded steel hollow structural sections, as round products and rectangular or square products).	Review, measures continued, October 16, 2019	Korea: Antidumping (89 percent) Turkey: Antidumping (89 percent)

Source: Domestic producers' response to notice of institution, September 1, 2021, exh. 21 and 22; ; Australian Government, DISER, ADC, *Review of Hollow Structural Sections Exported to Australia from the People's Republic of China, the Republic of Korea, Malaysia, Taiwan and the Kingdom of Thailand*, Report No. 529, February 8, 2021, https://www.industry.gov.au/sites/default/files/adc/public-record/529_-_081_-_report_-_final_report_-rep_529.pdf; Australian Government, DISER, ADC, "Hollow Structural Sections Exported from the People's Republic of China, the Republic of Korea, Malaysia, Taiwan and the Kingdom of Thailand, Findings in Relation to a Review of Anti-Dumping Measures," Anti-Dumping Notice 2021/11, March 9, 2021, https://www.industry.gov.au/sites/default/files/adc/public-record/529_-_082_-_adn_notice_-_adn_2021-011_-_findings_in_relation_to_review_of_measures_529.pdf; Canadian International Trade Tribunal ("CITT"), *Statement of Reasons, Concerning Determinations Under Paragraph 76.03(7)(a) of the Special Import Measures Act Regarding Certain Structural Tubing Originating in or Exported from the Republic of Korea, the Republic of South Africa, and the Republic of Turke*y, Expiry Review No. RR-2013-001, August 23, 2013, https://www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/rr2013-001/rr2013-001-e13-de-eng.html.

The global market

Table I-15 presents global export data for rectangular tubular products, a category that includes HWR tubular products and out-of-scope products (by source in descending order of quantity for 2020). Leading exporters China (18.1 percent), Italy (16.1 percent), and Turkey (12.5 percent) together accounted for almost one-half (46.7 percent) of all global quantities of rectangular tubular products exported in 2020.

Table I-15
Rectangular tubular products: Quantity/Value of global exports by country and period

Quantity in short tons/Value in 1,000 dollars

Exporting country	Measure	2016	2017	2018	2019	2020
China	Quantity	1,568,303	1,452,824	1,260,669	1,314,391	1,399,269
Italy	Quantity	1,427,165	1,378,567	1,346,720	1,378,914	1,246,387
Turkey	Quantity	821,390	995,560	871,789	901,399	966,798
Russia	Quantity	304,809	316,323	366,448	403,380	504,177
Vietnam	Quantity	296,769	450,305	547,792	NR	441,121
Canada	Quantity	341,686	370,871	317,185	310,278	366,104
Bulgaria	Quantity	140,468	142,834	157,136	172,929	225,394
United Kingdom	Quantity	162,018	177,511	181,543	179,900	194,346
Portugal	Quantity	133,157	144,012	145,854	147,512	170,338
Austria	Quantity	194,817	199,475	187,821	177,356	146,251
All other exporters	Quantity	2,483,653	2,656,847	2,855,832	2,461,898	2,082,585
All exporters	Quantity	7,874,235	8,285,130	8,238,792	7,447,958	7,742,771
China	Value	819,485	937,030	982,769	1,044,871	1,104,552
Italy	Value	1,059,191	1,246,035	1,359,586	1,225,445	1,118,510
Turkey	Value	350,927	536,127	536,585	481,051	472,352
Russia	Value	137,662	173,467	213,462	220,659	247,529
Vietnam	Value	188,930	316,125	463,859	NR	331,293
Canada	Value	275,111	351,328	322,428	279,884	317,724
Bulgaria	Value	65,032	86,397	107,737	104,449	132,454
United Kingdom	Value	116,226	138,202	152,612	149,721	147,776
Portugal	Value	82,536	104,936	118,362	106,466	120,648
Austria	Value	143,281	174,376	184,898	161,553	126,725
All other exporters	Value	1,759,502	2,196,773	2,563,974	2,092,590	1,704,355
All exporters	Value	4,997,884	6,260,796	7,006,273	5,866,690	5,823,918

Source: IHS Markit Ltd., Global Trade Atlas, HS subheading 7306.61, accessed September 3, 2021. These data may be overstated as HS subheading 7306.61 includes all rectangular (including square) tube, including product with a wall thickness less than 4mm, and stainless and other alloy steel tubular products outside the scope of these reviews.

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

Note: “NR” where not reported.

The industry in Canada

Canada was the largest source of nonsubject imports of HWR tubular products during 2016-20 (table I-6). The industry producing HWR tubular products in Canada includes two firms that are affiliated with petitioners in these investigations, Atlas Tube Canada (Harrow, Ontario) and Bull Moose (Burlington, Ontario), as well as at least one additional firm, Welded Tube of Canada Corp. (Concord, Ontario). No published data are available on Canadian production of HWR tubular products. However, total production of welded carbon-steel structural tubing and piling (including HWR tubular products)[49] was estimated at *** short tons in 2020.[50]

Table I-16 presents events in the Canadian industry since the original investigations.

Table I-16
HWR tubular products: Recent developments in the Canadian industry

Item	Firm	Event
Plant upgrades	Atlas	2015-16— Atlas, a subsidiary of Zekelman Industries, placed several new equipment orders with SMS Group to expand and enhance the product spectrum of the 8⅝-inch and 16-inch lines installed at the Harrow, Ontario steel pipe facility. Installation of an additional pinch roll/breakdown stand in the 8⅝-inch ERW line will expand the current product portfolio to higher grades and greater wall thicknesses. Two newly developed inside scarfers installed on the 16-inch line, critical to product quality, will extend the wall-thickness range up to 17.3 millimeters (0.681 inch).

Source: SMS Group, "Zekelman Industries Places Orders with SMS Group for Modernization of ERW Tube Lines," Press release, January 24, 2017, https://www.sms-group.com/press-media/press-releases/press-detail/zekelman-industries-places-orders-with-sms-group-for-modernization-of-erw-tube-lines-689/.

Table I-17 presents export data for rectangular tubular products, a category that includes HWR tubular products and out-of-scope products, from Canada (by export destination in descending order of quantity for 2020). Throughout the 2016–20 period, the United States was the predominant market for nearly all (99.5–99.9 percent) of Canada's annual export quantities of rectangular tubular products.

[49] In 2015, Canada's domestic production of structural pipe mostly consisted of HWR tubular products. Staff telephone interview with ***, August 10, 2015. Original confidential report, p. VII-31.

[50] Preston Publishing Co., "Canadian Market Analysis," Preston Pipe & Tube Report, February 2021, p. 91, www.prestonpipe.com. Estimated production was derived by the calculation of apparent consumption plus exports minus imports of structural pipe.

Table I-17
Rectangular tubular products: Quantity/Value of global exports by Canada and period

Quantity in short tons/Value in 1,000 dollars

Destination market	Measure	2016	2017	2018	2019	2020
United States	Quantity	341,193	369,999	315,609	309,804	365,857
Egypt	Quantity	NR	NR	NR	NR	130
Norway	Quantity	NR	NR	1	NR	32
Cuba	Quantity	41	93	22	25	28
China	Quantity	40	491	357	140	24
India	Quantity	0.0	NR	869	NR	10
United Kingdom	Quantity	0.0	NR	NR	14	8
Singapore	Quantity	NR	4	NR	210	5
Bermuda	Quantity	NR	NR	NR	15	5
Russia	Quantity	23	26	17	4	2
All other markets	Quantity	390	258	311	66	3
All markets	Quantity	341,686	370,871	317,185	310,278	366,104
United States	Value	274,765	350,704	321,305	279,157	317,087
Egypt	Value	NR	NR	NR	NR	356
Norway	Value	NR	NR	1	NR	92
Cuba	Value	28	67	15	22	42
China	Value	28	352	256	431	71
India	Value	0.0	NR	614	NR	8
United Kingdom	Value	0.0	NR	NR	16	22
Singapore	Value	NR	3	NR	145	15
Bermuda	Value	NR	NR	NR	10	14
Russia	Value	16	19	13	17	8
All other markets	Value	274	183	225	86	11
All markets	Value	275,111	351,328	322,428	279,884	317,724

Source: IHS Markit Ltd., Global Trade Atlas, HS subheading 7306.61, accessed September 3, 2021. These data may be overstated as HS subheading 7306.61 includes all rectangular (including square) tube, including product with a wall thickness less than 4mm, and stainless and other alloy steel tubular products outside the scope of these reviews.

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

Note: “NR” where not reported.

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 41511 August 2, 2021	*Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2021-08-02/pdf/2021-16240.pdf
86 FR 41439 August 2, 2021	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2021-08-02/pdf/2021-16434.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Table B-1
HWR tubular products: Response checklist for U.S. producers

Item	Atlas Tube (a division of Zekelman Industries)	Bull Moose Tube Company	Maruichi American Corporation	Nucor Tubular Products, Inc.	Searing Industries	Vest, Inc.
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	***	***	***	***	***	***
Changes in supply/demand	***	***	***	***	***	***

Source: Domestic interested parties' response, September 1, 2021, and Domestic interested parties' supplemental substantive response, September 20, 2021.

Table B-2
HWR tubular products: Trade and financial data submitted by U.S. producers, 2020

Quantity in short tons, value in 1,000 dollars, ratio in percent

Item	Measure	Atlas Tube, (a division of Zekelman Industries)	Bull Moose Tube Company	Maruichi American Corporation	Nucor Tubular Products, Inc.	Searing Industries	Vest, Inc.	Total
Capacity	Quantity	***	***	***	***	***	***	***
Production	Quantity	***	***	***	***	***	***	***
Percent of total production reported	Ratio	***	***	***	***	***	***	100.0
Commercial U.S. shipments	Quantity	***	***	***	***	***	***	***
Commercial U.S. shipments:	Value	***	***	***	***	***	***	***
Internal consumption and company transfers	Quantity	***	***	***	***	***	***	***
Internal consumption and company transfers	Value	***	***	***	***	***	***	***
Net sales	Value	***	***	***	***	***	***	***
COGS	Value	***	***	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***	***	***

Source: Domestic interested parties' supplemental substantive response, exh. 2, September 20, 2021.

Note: The financial data are for fiscal year ended ***.

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDING

Table C-1
HWR tubular products: Summary data concerning the U.S. market, 2013-15, January to March 2015, and January to March 2016
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. consumption quantity:									
Amount	2,003,008	2,091,311	1,961,811	515,200	511,159	(2.1)	4.4	(6.2)	(0.8)
Producers' share (fn1)	82.4	79.2	78.6	77.1	81.7	(3.8)	(3.2)	(0.6)	4.7
Importers' share (fn1):									
Korea	2.9	4.0	3.9	4.9	2.1	1.0	1.1	(0.1)	(2.7)
Mexico	3.3	3.5	2.4	3.1	1.7	(0.9)	0.1	(1.1)	(1.4)
Turkey	2.4	3.0	1.9	2.8	0.3	(0.6)	0.6	(1.2)	(2.5)
Subject sources	8.6	10.5	8.1	10.7	4.1	(0.5)	1.9	(2.4)	(6.6)
Canada	8.0	9.1	10.8	8.9	13.0	2.9	1.1	1.7	4.1
All other sources	1.0	1.2	2.5	3.4	1.2	1.4	0.2	1.2	(2.2)
Nonsubject sources	9.0	10.3	13.3	12.2	14.2	4.3	1.3	3.0	1.9
Total imports	17.6	20.8	21.4	22.9	18.3	3.8	3.2	0.6	(4.7)
U.S. consumption value:									
Amount	1,711,944	1,831,380	1,427,718	420,626	322,378	(16.6)	7.0	(22.0)	(23.4)
Producers' share (fn1)	82.7	80.2	77.8	77.0	80.8	(4.9)	(2.5)	(2.4)	3.8
Importers' share (fn1):									
Korea	2.3	3.1	3.2	4.0	1.6	1.0	0.8	0.1	(2.4)
Mexico	3.1	3.0	2.3	2.7	1.6	(0.8)	(0.1)	(0.8)	(1.1)
Turkey	2.1	2.6	1.7	2.4	0.2	(0.4)	0.5	(0.8)	(2.2)
Subject sources	7.5	8.7	7.2	9.1	3.4	(0.2)	1.2	(1.5)	(5.7)
Canada	8.7	9.8	11.8	9.6	14.4	3.0	1.1	1.9	4.8
All other sources	1.2	1.4	3.2	4.3	1.3	2.1	0.2	1.9	(2.9)
Nonsubject sources	9.9	11.2	15.0	13.9	15.8	5.1	1.3	3.8	1.9
Total imports	17.3	19.8	22.2	23.0	19.2	4.9	2.5	2.4	(3.8)
U.S. imports from:									
Korea:									
Quantity	57,347	83,326	76,183	24,992	10,976	32.8	45.3	(8.6)	(56.1)
Value	38,601	56,619	46,221	16,769	5,200	19.7	46.7	(18.4)	(69.0)
Unit value	$673	$679	$607	$671	$474	(9.9)	0.9	(10.7)	(29.4)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Mexico:									
Quantity	66,464	72,363	46,647	15,940	8,668	(29.8)	8.9	(35.5)	(45.6)
Value	53,200	55,240	32,308	11,543	5,304	(39.3)	3.8	(41.5)	(54.0)
Unit value	$800	$763	$693	$724	$612	(13.5)	(4.6)	(9.3)	(15.5)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Turkey:									
Quantity	48,123	63,353	36,294	14,183	1,332	(24.6)	31.6	(42.7)	(90.6)
Value	35,876	46,973	24,486	10,052	605	(31.7)	30.9	(47.9)	(94.0)
Unit value	$746	$741	$675	$709	$454	(9.5)	(0.5)	(9.0)	(36.0)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	171,935	219,042	159,123	55,116	20,976	(7.5)	27.4	(27.4)	(61.9)
Value	127,678	158,832	103,015	38,365	11,108	(19.3)	24.4	(35.1)	(71.0)
Unit value	$743	$725	$647	$696	$530	(12.8)	(2.4)	(10.7)	(23.9)
Ending inventory quantity	10,634	19,802	9,630	20,916	4,998	(9.4)	86.2	(51.4)	(76.1)
Canada:									
Quantity	159,616	190,157	212,272	45,656	66,386	33.0	19.1	11.6	45.4
Value	149,205	179,657	167,807	40,448	46,561	12.5	20.4	(6.6)	15.1
Unit value	$935	$945	$791	$886	$701	(15.4)	1.1	(16.3)	(20.8)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	20,343	25,432	48,362	17,388	5,972	137.7	25.0	90.2	(65.7)
Value	20,054	24,971	46,130	18,034	4,324	130.0	24.5	84.7	(76.0)
Unit value	$986	$982	$954	$1,037	$724	(3.2)	(0.4)	(2.9)	(30.2)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	179,959	215,589	260,634	63,044	72,359	44.8	19.8	20.9	14.8
Value	169,259	204,627	213,937	58,482	50,885	26.4	20.9	4.5	(13.0)
Unit value	$941	$949	$821	$928	$703	(12.7)	0.9	(13.5)	(24.2)
Ending inventory quantity	869	895	1,123	1,396	893	29.2	3.0	25.5	(36.0)
Total imports:									
Quantity	351,893	434,631	419,757	118,160	93,335	19.3	23.5	(3.4)	(21.0)
Value	296,937	363,459	316,952	96,847	61,994	6.7	22.4	(12.8)	(36.0)
Unit value	$844	$836	$755	$820	$664	(10.5)	(0.9)	(9.7)	(19.0)
Ending inventory quantity	11,503	20,697	10,753	22,312	5,891	(6.5)	79.9	(48.0)	(73.6)

Table continued.

Table C-1--Continued

HWR tubular products: Summary data concerning the U.S. market, 2013-15, January to March 2015, and January to March 2016

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. producers':									
Average capacity quantity	2,756,509	2,744,367	2,666,239	662,306	680,787	(3.3)	(0.4)	(2.8)	2.8
Production quantity	1,766,821	1,794,886	1,590,394	413,232	421,201	(10.0)	1.6	(11.4)	1.9
Capacity utilization (fn1)	64.1	65.4	59.6	62.4	61.9	(4.4)	1.3	(5.8)	(0.5)
U.S. shipments:									
Quantity	1,651,115	1,656,680	1,542,054	397,040	417,824	(6.6)	0.3	(6.9)	5.2
Value	1,415,007	1,467,921	1,110,766	323,779	260,384	(21.5)	3.7	(24.3)	(19.6)
Unit value	$857	$886	$720	$815	$623	(15.9)	3.4	(18.7)	(23.6)
Export shipments:									
Quantity	122,744	125,504	72,953	25,172	12,873	(40.6)	2.2	(41.9)	(48.9)
Value	100,127	106,268	52,481	18,104	7,653	(47.6)	6.1	(50.6)	(57.7)
Unit value	$816	$847	$719	$719	$595	(11.8)	3.8	(15.0)	(17.3)
Ending inventory quantity	234,300	246,628	221,569	237,429	207,313	(5.4)	5.3	(10.2)	(12.7)
Inventories/total shipments (fn1)	13.2	13.8	13.7	14.1	12.0	0.5	0.6	(0.1)	(2.0)
Production workers	1,115	1,190	1,132	1,160	1,125	1.5	6.7	(4.9)	(3.0)
Hours worked (1,000s)	2,386	2,562	2,447	636	634	2.6	7.4	(4.5)	(0.3)
Wages paid ($1,000)	67,349	74,627	70,355	18,036	18,086	4.5	10.8	(5.7)	0.3
Hourly wages (dollars)	$28.23	$29.13	$28.75	$28.36	$28.53	1.9	3.2	(1.3)	0.6
Productivity (short tons per 1,000 hours	740.5	700.6	649.9	649.7	664.4	(12.2)	(5.4)	(7.2)	2.2
Unit labor costs	$38.12	$41.58	$44.24	$43.65	$42.94	16.1	9.1	6.4	(1.6)
Net sales:									
Quantity	1,773,860	1,782,185	1,615,006	422,212	430,698	(9.0)	0.5	(9.4)	2.0
Value	1,515,133	1,574,190	1,163,246	341,884	268,037	(23.2)	3.9	(26.1)	(21.6)
Unit value	$854	$883	$720	$810	$622	(15.7)	3.4	(18.5)	(23.1)
Cost of goods sold (COGS)	1,302,168	1,366,092	1,018,339	308,047	222,199	(21.8)	4.9	(25.5)	(27.9)
Gross profit or (loss)	212,965	208,098	144,907	33,837	45,838	(32.0)	(2.3)	(30.4)	35.5
SG&A expenses	73,063	90,725	76,582	22,310	23,476	4.8	24.2	(15.6)	5.2
Operating income or (loss)	139,902	117,373	68,325	11,527	22,362	(51.2)	(16.1)	(41.8)	94.0
Net income or (loss)	112,643	87,346	42,820	4,198	15,113	(62.0)	(22.5)	(51.0)	260.0
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	$734	$767	$631	$730	$516	(14.1)	4.4	(17.7)	(29.3)
Unit SG&A expenses	$41	$51	$47	$53	$55	15.1	23.6	(6.9)	3.2
Unit operating income or (loss)	$79	$66	$42	$27	$52	(46.4)	(16.5)	(35.8)	90.2
Unit net income or (loss)	$64	$49	$27	$10	$35	(58.2)	(22.8)	(45.9)	252.9
COGS/sales (fn1)	85.9	86.8	87.5	90.1	82.9	1.6	0.8	0.8	(7.2)
Operating income or (loss)/sales (fn1)	9.2	7.5	5.9	3.4	8.3	(3.4)	(1.8)	(1.6)	5.0
Net income or (loss)/sales (fn1)	7.4	5.5	3.7	1.2	5.6	(3.8)	(1.9)	(1.9)	4.4

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

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

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 19 firms as top purchasers of heavy walled rectangular welded carbon steel pipes and tubes: ***. Purchaser questionnaires were sent to these 19 firms and five firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for heavy walled rectangular welded carbon steel pipes and tubes that have occurred in the United States or in the market for heavy walled rectangular welded carbon steel pipes and tubes in Korea, Mexico, and/or Turkey since September 14, 2016?

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

2. Do you anticipate any significant changes in the supply and demand conditions for heavy walled rectangular welded carbon steel pipes and tubes in the United States or in the market for heavy walled rectangular welded carbon steel pipes and tubes in Korea, Mexico, and/or Turkey within a reasonably foreseeable time?

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