

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–852, A–523–801, A–520–805, A–552–811]

Circular Welded Carbon-Quality Steel Pipe From India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* November 22, 2011.

FOR FURTHER INFORMATION CONTACT:

Steve Bezirgianian, Robert James (India, the United Arab Emirates, and Vietnam), or Angelica Mendoza (Oman), AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, at (202) 482–1131, (202) 482–0649, or (202) 482–3019, respectively.

SUPPLEMENTARY INFORMATION:

The Petitions

On October 26, 2011, the Department of Commerce (the Department) received petitions concerning imports of circular welded carbon-quality steel pipe (certain steel pipe) from India, the Sultanate of Oman (Oman), the United Arab Emirates (UAE), and the Socialist Republic of Vietnam (Vietnam) filed in proper form on behalf of Allied Tube and Conduit, JMC Steel Group, Wheatland Tube Company, and United States Steel Corporation (collectively, Petitioners). *See* Circular Welded Carbon-Quality Steel Pipe from India, Oman, the UAE, and Vietnam: Antidumping and Countervailing Duty Petitions, filed on October 26, 2011 (hereinafter, the Petitions). On November 1, 2011, the Department issued requests for additional information and clarification of certain areas of the Petitions. Petitioners filed responses to these requests on

November 7, 2011 (hereinafter, the Supplement to the AD/CVD Petitions,¹ the Supplement to the AD India Petition, the Supplement to the AD Oman Petition, the Supplement to the AD United Arab Emirates Petition, and the Supplement to the AD Vietnam Petition). On November 4, 2011, the Department issued a request for additional information and clarification regarding the scope of the petitions, and Petitioners' response to this request was included in the Supplement to the AD/CVD Petitions. On November 8, 2011, Petitioners agreed to modified scope language. *See* the November 10, 2011 memorandum from Steve Bezirgianian through Richard Weible to the File.

On November 8, 2011, the Department requested additional clarification on issues involving industry support. Petitioners filed a response to this request on November 10, 2011 (hereinafter, the Second Supplement to the AD/CVD Petitions). On November 8, 2011, the Department requested additional information regarding India and Vietnam. Petitioners filed responses to these requests on November 10, 2011 (hereinafter, the Second Supplement to the AD India Petition and the Second Supplement to the AD Vietnam Petition, respectively). In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), Petitioners allege that imports of certain steel pipe from India, Oman, the UAE, and Vietnam are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that Petitioners filed the Petitions on behalf of the domestic industry because Petitioners are interested parties as defined in section 771(9)(C) of the Act and have demonstrated sufficient industry support with respect to the antidumping duty investigations that Petitioners are requesting that the Department initiate (*see* “Determination of Industry Support for the Petitions” section below).

Period of Investigation

The period of investigation (POI) for India, Oman, and the UAE is October 1, 2010, through September 30, 2011. The POI for Vietnam is April 1, 2011, through September 30, 2011. *See* 19 CFR 351.204(b)(1).

¹ Petitioners refiled the Supplement to the AD/CVD Petitions on November 9, 2011, to include a statement that the business proprietary document “may be released under APO.”

Scope of Investigations

The product covered by these investigations is certain steel pipe from India, Oman, the UAE, and Vietnam. For a full description of the scopes of the investigations, *see* Appendix I (Scope of the Oman, the UAE, and Vietnam Investigations) and Appendix II (Scope of the India AD Investigation) of this notice.

Comments on Scope of Investigations

During our review of the Petitions, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. Interested parties that wish to submit comments on the scope should do so by December 5, 2011, twenty calendar days from the signature date of this notice. All comments must be filed on the records of the India, Oman, the UAE, and Vietnam antidumping duty investigations and the India, Oman, the UAE, and Vietnam countervailing duty investigations. All comments and submissions to the Department must be filed electronically using Import Administration's Antidumping Countervailing Duty Centralized Electronic Service System (IA ACCESS).² An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, and stamped with the date and time of receipt by the deadline noted above.

Comments on Product Characteristics for Antidumping Duty Questionnaires

Interested parties may submit comments regarding the appropriate characteristics of certain steel pipe to be reported in response to the

² *See* <http://www.gpo.gov/fdsys/pkg/FR-2011-07-06/pdf/2011-16352.pdf> for details of the Department's Electronic Filing Requirements, which went into effect on August 5, 2011. Information on help using IAACCESS can be found at <https://iaaccess.trade.gov/help.aspx> and a handbook can be found at <https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

Department's antidumping questionnaires. We base the product characteristics used for defining models and model matching on meaningful commercial differences among products. In addition, interested parties may comment on the order in which the characteristics should be used in model matching. Generally, the Department attempts to list the characteristics in descending order of importance. On the day of publication of this notice, the Department will post its proposal on the Import Administration Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html>. In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments by December 9, 2011. All such comments must be filed on the records of the India, Oman, the UAE, and Vietnam antidumping duty investigations. All comments and submissions to the Department must be filed electronically using IA ACCESS, as referenced above.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what

constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (*see* section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989).

Section 771(10) of the Act defines the 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 title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that certain steel pipe constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, *see* Antidumping Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from India (India AD Checklist), Antidumping Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from Oman (Oman AD Checklist), Antidumping Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from the UAE (UAE AD Checklist), and Antidumping Duty Investigation Initiation Checklist: Circular Welded Carbon-Quality Steel Pipe from Vietnam (Vietnam AD Checklist) at Attachment II, Analysis of Industry Support for the Petitions Covering Circular Welded Carbon-Quality Steel Pipe, on file electronically via IA ACCESS. Access to IA ACCESS is available in the Central Records Unit (CRU), Room 7046 of the main Department of Commerce building.

In determining whether Petitioners have standing under section

732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of Investigations," in Appendix I of this notice. To establish industry support, Petitioners provided their shipments of the domestic like product in 2010, and compared their shipments to the estimated total shipments of the domestic like product for the entire domestic industry. Because total industry production data for the domestic like product for 2010 is not reasonably available and Petitioners have established that shipments are a reasonable proxy for production data, we have relied upon the shipment data provided by Petitioners for purposes of measuring industry support. For further discussion, *see* India AD Checklist, Oman AD Checklist, UAE AD Checklist, and Vietnam AD Checklist, at Attachment II.

Our review of the data provided in the Petitions, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petitions established support from domestic producers accounting for more than 50 percent of the total shipments³ of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* section 732(c)(4)(D) of the Act and India AD Checklist, Oman AD Checklist, UAE AD Checklist, and Vietnam AD Checklist, at Attachment II. Second, the domestic producers have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers who support the Petitions account for at least 25 percent of the total shipments of the domestic like product. *See* India AD Checklist, Oman AD Checklist, UAE AD Checklist, and Vietnam AD Checklist, at Attachment II. Finally, the domestic producers have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers who support the Petitions account for more than 50 percent of the shipments of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. *See* India AD Checklist, Oman AD Checklist, UAE AD Checklist, and

³ As mentioned above, Petitioners have established that shipments are a reasonable proxy for production data. Section 351.203(e)(1) of the Department's regulations states "production levels may be established by reference to alternative data that the Secretary determines to be indicative of production levels."

Vietnam AD Checklist, each at Attachment II. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. *See* India AD Checklist, Oman AD Checklist, UAE AD Checklist, and Vietnam AD Checklist, each at Attachment II.

The Department finds that Petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the antidumping duty investigations they are requesting the Department initiate. *See* India AD Checklist, Oman AD Checklist, UAE AD Checklist, and Vietnam AD Checklist, each at Attachment II.

Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act. Petitioners contend that the industry's injured condition is illustrated by reduced market share; reduced production, shipments, capacity, and capacity utilization; reduced employment, hours worked, and wages paid; underselling and price depression or suppression; decline in financial performance; lost sales and revenue; and increase in the volume of imports and import penetration despite overall declining demand. *See* India AD Checklist, Oman AD Checklist, UAE AD Checklist, and Vietnam AD Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Petitions Covering Circular Welded Carbon-Quality Steel Pipe from India, Oman, the UAE, and Vietnam. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See* India AD Checklist, Oman AD Checklist, UAE AD Checklist, and Vietnam AD Checklist, at Attachment III.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value

upon which the Department based its decision to initiate these investigations on imports of certain steel pipe from India, Oman, the UAE, and Vietnam. The sources of data for the deductions and adjustments relating to U.S. price and normal value (including the factors of production (FOPs) for Vietnam) are discussed in the country-specific initiation checklists. *See* India AD Checklist, Oman AD Checklist, the UAE AD Checklist, and the Vietnam AD Checklist, at their respective "Less Than Fair Value Allegation" sections.

Export Price

Vietnam

For Vietnam, Petitioners calculated U.S. price based on one offer for sale of certain steel pipe produced in Vietnam and on two average unit values (AUVs) of products imported from Vietnam that are representative of subject merchandise.⁴ For the U.S. price based on an offer for sale, consistent with the stated sales and delivery terms, Petitioners made deductions for movement expenses estimated from U.S. customs data for comparable merchandise, and a deduction for distributor mark-up. For the U.S. prices based on AUVs, the values were already on a free-along-side ship foreign port price, so no additional adjustment for international movement expenses was necessary. Petitioners did not claim any adjustment for foreign inland freight expenses. *See* Volume II of the Petitions at I-15, Exhibit II-B-1, Exhibit II-V-2, Exhibit II-V-3, and Supplement to the AD Vietnam Petition at 4. *See also* Vietnam AD Checklist for additional details.

India

For India, Petitioners based U.S. price on one offer for sale of certain steel pipe produced by Zenith Birla India Limited, which they also refer to as Zenith Steel Pipes and Industries Ltd., a company excluded from the current antidumping duty order on welded steel pipe and tube from India (*see* the Respondent Selection section of the notice, below), and on one AUV of products imported from India. For the U.S. price based on an offer for sale, consistent with the

stated sales and delivery terms, Petitioners made deductions for movement expenses estimated from U.S. customs data for comparable merchandise, and a deduction for distributor mark-up. For the U.S. prices based on AUVs, the values were already reported at a free-along-side ship foreign port price, so no additional adjustment for international movement expenses was necessary. Petitioners did not claim any adjustment for foreign inland freight expenses. *See* Volume II of the Petitions at II-2 and Exhibits II-B-1, II-I-3, and II-1-4; Supplement to the AD India Petition at 3 and Attachment 2; and Second Supplement to the AD India Petition, at 2-3 and Attachment 1. *See also* India AD Checklist for additional details.

Oman

For Oman, Petitioners calculated U.S. price based on two offers for sale of certain steel pipe produced in Oman and on two AUVs of products imported from Oman. For the U.S. prices based on offers for sale, consistent with the stated sales and delivery terms, Petitioners made deductions for movement expenses estimated from U.S. customs data for comparable merchandise, and a deduction for distributor mark-up. For the U.S. prices based on AUVs, the values were already on a free-along-side ship foreign port price, so no additional adjustment for international movement expenses was necessary. Petitioners did not claim any adjustment for foreign inland freight expenses. *See* Volume II of the Petitions at II-4 through II-5 and Exhibits II-B-1, II-O-3-A and II-O-3-B and Supplement to the AD Oman Petition at 3-7 and Attachments 3 and 4. *See also* AD Oman Checklist for additional details.

The UAE

For the UAE, the Petitioners based U.S. price on two AUVs of products imported from the UAE. For one of the AUVs, we corrected the calculation for an error in the data provided by Petitioners. *See* UAE AD Checklist at "Less Than Fair Value Allegation" section. For the U.S. prices based on AUVs, the values were already on a free-along-side ship foreign port price, so no additional adjustment for international movement expenses was necessary. Petitioners did not claim any adjustment for foreign inland freight expenses. *See* Volume II of the Petitions at II-7 to II-8 and Exhibits II-U-3 and II-U-4, Supplement to the AD UAE Petition at 3-4 and Attachments 1 and 2. *See also* UAE AD Checklist for additional details.

⁴ The AUVs are the average U.S. Customs value for imports from the country under a specific Harmonized Tariff Schedule of the United States (HTSUS) number, based on public U.S. Bureau of the Census data for the anticipated POI. For Vietnam, they are comparable to the normal value based on constructed value, and for India, Oman, and the United Arab Emirates, they are comparable to the home market price information provided for the normal value calculated for those countries. *See* the India AD Checklist, the Oman AD Checklist, the UAE AD Checklist, and the Vietnam AD Checklist for more details.

Normal Value

Vietnam

Petitioners state that the Department has long treated the Vietnam as a non-market economy (“NME”) country. *See* Volume II of the Petitions at II–8.

In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for Vietnam has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on FOPs valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties, including the public, will have the opportunity to provide relevant information related to the issues of Vietnam’s NME status and the granting of separate rates to individual exporters.

Petitioners claim that India is an appropriate surrogate country because it is a market economy that is at a comparable level of economic development to Vietnam. Petitioners also believe that India is a significant producer of merchandise under consideration. *See* Volume II of the Petitions at II–8 through II–10. Based on the information provided by Petitioners, we believe that it is appropriate to use India as a surrogate country for initiation purposes. If the Department initiates this investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 40 days from the date of publication of the preliminary determination.

Valuation of Raw Materials and By-Product

Petitioners calculated normal value based on consumption rates experienced by one U.S. producer. Petitioners assert that the experience of that U.S. producer is applicable to that of Vietnamese producers because that U.S. producer, like the vast majority of producers in Vietnam, is a non-integrated producer which does not manufacture the steel coils from which the subject steel pipe is produced, but instead buys the steel and converts it into subject pipe. As a result, Petitioners state, standard pipe is essentially a commodity product, produced to published specifications by many non-integrated standard pipe producers, all

employing similar methods of converting raw steel into finished steel pipe. *See* Supplement to the AD Vietnam Petition, at 6.

Petitioners valued steel coils, zinc, and the by-product offset based on reasonably available, public surrogate country data, specifically, Indian import statistics from the Global Trade Atlas (GTA). *See* Volume II of the Petitions at II–11 through II–13 and Exhibit II–V–4–B–1 through Exhibit II–V–B–3, Supplement to the AD Vietnam Petition at 8, and Second Supplement to the AD Vietnam Petition at Attachment 2. Petitioners excluded from these import statistics values from countries previously determined by the Department to be NME countries. Petitioners also excluded imports from Indonesia, the Republic of Korea and Thailand, as the Department has previously excluded prices from these countries because they maintain broadly available, non-industry-specific export subsidies. Finally, imports that were labeled as originating from an “unspecified” country were excluded from the average value, because the Department could not be certain that they were not from either an NME country or a country with generally available export subsidies. *See* Supplement to the AD Vietnam Petition at 8.

Valuation of Direct and Indirect Labor

Petitioners determined labor costs using the labor consumption rates derived from one U.S. producer. *See* Volume II of the Petitions at II–14. Petitioners valued labor using the wage rate used in *Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam*, 76 FR 20627 (April 13, 2011). The Department recalculated wages to comport with the methodology announced on June 21, 2011. *See Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011). The recalculation also uses values for steel workers rather than shrimp farmers. *See* Vietnam AD Checklist at Attachment V.

Valuation of Energy

Petitioners determined electricity costs using the electricity consumption rates, in kilowatt hours, derived from one U.S. producer’s experience. *See* Volume II of the Petitions at II–10 through II–11 and II–14. Petitioners valued electricity using the Indian electricity rate reported by the Central Electric Authority of the Government of India, the source used in a recent administrative review of light walled

rectangular pipe and tube from the People’s Republic of China. *See* Volume II of the Petitions at II–13 (citing *Light-Walled Rectangular Pipe and Tube From the People’s Republic of China: Preliminary Results of the 2008–2009 Antidumping Duty Administrative Review*, 75 FR 27308 (May 14, 2010)).

Petitioners determined natural gas costs using the natural gas consumption rates derived from one U.S. producer’s experience. *See* Volume II of the Petitions at II–14. Petitioners valued natural gas using the 2009/2010 annual report of GAIL. *See* Supplement to the AD Vietnam Petition at 8.

Valuation of Factory Overhead, Selling, General and Administrative Expenses, and Profit

Petitioners calculated surrogate financial ratios (overhead, SG&A, and profit) from the annual financial statement of one Indian producer of welded pipe: the 2010–2011 Annual Report of Surya Roshni Limited (Surya). *See* Volume I of the Petitions at II–14 and II–15 and Exhibit II–V–4–F. Petitioners state that the majority of Surya’s sales revenue is derived from the sale of welded pipe. Furthermore, they state that like the petitioner whose FOP data was used, Surya buys the major input, steel coils, rather than producing the steel. *See* Volume I of the Petition at II–15. We find that Petitioners’ use of Surya as the source for the surrogate financial expenses to be acceptable for purposes of initiation.

Exchange Rates

Petitioners made Indian rupee/U.S. dollar (USD) conversions based on average exchange rates for the POI, based on Federal Reserve exchange rates. *See* Volume II of the Petitions at II–V–4 and Exhibit II–V–4.

India, Oman, and the UAE

For India, Oman, and the UAE, the Petitioners calculated NV for certain steel pipe using information they were able to obtain about home market prices.

For India, Petitioners based normal value on a price quote for a single product. Because the price quote was on an ex-factory basis, no adjustments were needed. *See* Volume II of the Petitions at Exhibits II–A–1, II–A–2 and II–I–1, and Second Supplement to the AD India Petition at 2–3 and Attachment 1; *see also* India AD Checklist at the “Less Than Fair Value Allegation” section.

For Oman, Petitioners provided ex-factory price quotes for two products. Prices included packing, but petitioners noted no adjustment for packing was needed because the U.S. prices also include packing and because there is no

significant difference in packing between markets. *See* Volume II of the Petitions at Exhibits II–A–1, II–A–2, and II–O–1 and Supplement to the AD Oman Petition at 3; *see also* Oman AD Checklist at the “Less Than Fair Value Allegation” section.

For the UAE, the Petitioners provided price quotes for two products. Because the price quotes were on an ex-factory basis, no adjustments were needed. *See* Volume II of the Petitions at II–6 and Exhibits II–A–1, II–A–2, and II–U–1; *see also* UAE AD Checklist at the “Less Than Fair Value Allegation” section.

Fair Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of certain steel pipe from India, Oman, the UAE, and Vietnam are being, or are likely to be, sold in the United States at less than fair value.

Based on a comparison of U.S. prices and NV calculated in accordance with section 773(c) of the Act, the estimated dumping margins for certain steel pipe from Vietnam range from 20.47 percent to 27.96 percent. *See* Vietnam AD Checklist at “Estimated Margins” section; *see also* Supplement to the AD Vietnam Petition at Attachment 5–A.

Based on a comparison of U.S. prices and NV calculated in accordance with section 773(a)(4) of the Act, the estimated dumping margins for certain steel pipe from India range from 22.88 percent to 48.43 percent. *See* India AD Checklist at “Estimated Margins” section; *see also* Supplement to the AD India Petition at Attachment 3.

Based on a comparison of U.S. prices and NV calculated in accordance with section 773(a)(4) of the Act, the estimated dumping margins for certain steel pipe from Oman range from 2.89 to 19.33 percent. *See* Oman AD Checklist at “Estimated Margins” section; *see also* Supplement to the AD Oman Petition at Attachment 1.

Based on a comparison of U.S. prices and NV calculated in accordance with section 773(a)(4) of the Act, the estimated dumping margins for certain steel pipe from the UAE range from 6.23 percent to 11.71 percent. *See* the UAE AD Checklist at “Estimated Margins” section; *see also* Supplement to the AD UAE Petition at Attachment 2.

Initiation of Antidumping Investigations

Based upon the examination of the Petitions on certain steel pipe from India, Oman, the UAE, and Vietnam, the Department finds that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to

determine whether imports of certain steel pipe from India, Oman, the UAE, and Vietnam are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determinations no later than 140 days after the date of these initiations.

Targeted Dumping Allegations

On December 10, 2008, the Department issued an interim final rule for the purpose of withdrawing 19 CFR 351.414(f) and (g), the regulatory provisions governing the targeted dumping analysis in antidumping duty investigations, and the corresponding regulation governing the deadline for targeted dumping allegations, 19 CFR 351.301(d)(5). *See Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Antidumping Duty Investigations*, 73 FR 74930 (December 10, 2008). The Department stated that “[w]ithdrawal will allow the Department to exercise the discretion intended by the statute and, thereby, develop a practice that will allow interested parties to pursue all statutory avenues of relief in this area.” *See id.* at 74931.

In order to accomplish this objective, if any interested party wishes to make a targeted dumping allegation in any of these investigations pursuant to section 777A(d)(1)(B) of the Act, such allegations are due no later than 45 days before the scheduled date of the country-specific preliminary determination.

Respondent Selection

India

At the time of the filing of the petition for this case, there was an existing antidumping duty order on welded steel pipe and tube from India. *See Antidumping Duty Order; Certain Welded Carbon Steel Standard Pipes and Tubes from India*, 51 FR 17384 (May 12, 1986). Therefore, the scope of this investigation covers merchandise manufactured and/or exported by Zenith Steel Pipes and Industries Ltd., and any successors-in-interest to that company, which is the only company excluded from the 1986 order known to exist.⁵ Petitioners have referred to Zenith Steel Pipes and Industries Ltd. and Zenith Birla India Limited interchangeably. Therefore, we intend to issue the questionnaire to both of these

⁵ Gujarat Steel Tubes Ltd. was also excluded from the 1986 order, but the company is not known to exist at the time of this initiation. *See* Supplement to the AD India Petition at 2.

named entities, and during the investigation will examine whether Zenith Birla India Limited is properly considered the successor-in-interest to Zenith Steel Pipes and Industries Ltd.

Oman and the UAE

Petitioners identified two exporters/producers in Oman and five exporters/producers in the UAE. *See* Volume I of the Petitions, at Exhibit I–4. We are unaware of any other exporters/producers. Following standard practice in antidumping investigations involving market economy countries, the Department intends to select respondents for Oman and the UAE based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. These HTSUS numbers closely match the subject merchandise, and are those used by Petitioners to calculate aggregate import totals.⁶ We intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five days of publication of this **Federal Register** notice and make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within seven days of publication of this **Federal Register** notice.

Vietnam

For the Vietnam investigation, the Department will request quantity and value information from the ten known exporters/producers identified with complete contact information in the Petitions. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents.

For antidumping investigations involving NME countries such as Vietnam, the Department requires that respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. *See Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 73 FR 10221, 10225 (February 26, 2008); *Initiation of Antidumping Duty Investigation: Certain Artist Canvas*

⁶ *See, e.g.,* Supplement to the AD/CVD Petitions at Attachment 3.

From the People's Republic of China, 70 FR 21996, 21999 (April 28, 2005). On the date of the publication of this initiation notice in the **Federal Register**, the Department will post the quantity and value questionnaire along with the filing instructions on the Department's Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html>, and a response to the quantity and value questionnaire is due no later than December 6, 2011. Also, the Department will send the quantity and value questionnaire to those Vietnamese companies identified in Volume I of the Petitions, at Exhibit I-4.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's Web site at <http://ia.ita.doc.gov/apo>.

Separate Rates

In order to obtain separate-rate status in NME investigations, exporters and producers must submit a separate-rate status application. See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries (April 5, 2005) (Separate Rates and Combination Rates Bulletin), available on the Department's Web site at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. Based on our experience in processing the separate-rate applications in previous antidumping duty investigations, we have modified the application for this investigation to make it more administrable and easier for applicants to complete. See, e.g., *Initiation of Antidumping Duty Investigation: Certain New Pneumatic Off-the-Road Tires From the People's Republic of China*, 72 FR 43591, 43594-95 (August 6, 2007). The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, which will be available on the Department's Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due 60 days after publication of this initiation notice. For exporters and producers who submit a separate rate status application and subsequently are selected as mandatory respondents, these exporters and producers will no longer be eligible for consideration for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents. As noted in the "Respondent Selection" section above,

the Department requires that Vietnam respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. The quantity and value questionnaire will be available on the Department's Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of the publication of this initiation notice in the **Federal Register**.

Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.

See Separate Rates and Combination Rates Bulletin, at 6 (emphasis added).

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public versions of the Petitions have been provided to the representatives of the Governments of India, Oman, the UAE, and Vietnam. Because of the large number of producers/exporters identified in the Petitions, the Department considers the service of the public version of the Petitions to the foreign producers/exporters satisfied by the delivery of the public versions of the Petitions to the Governments of India, Oman, the UAE, and Vietnam, consistent with 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, no later than 45 days after the date the Petitions were filed, whether there is a reasonable indication that imports of certain steel pipe from India, Oman, the UAE, and Vietnam are materially injuring, or threatening material injury to a U.S. industry. A negative ITC determination with respect to any country will result in the investigation being terminated for that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

Any party submitting factual information in an AD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all segments of any AD/CVD proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (*Interim Final Rule*) (amending 19 CFR 351.303(g)(1) & (2)). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in any proceeding segments initiated on or after March 14, 2011, if the submitting party does not comply with the revised certification requirements.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: November 15, 2011.

Paul Piquado,
Assistant Secretary for Import
Administration.

Appendix I

Scope of the Oman, the United Arab Emirates, and Vietnam Investigations

These investigations cover welded carbon-quality steel pipes and tube, of

circular cross-section, with an outside diameter ("O.D.") not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International ("ASTM"), proprietary, or other) generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which: (a) Iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:

- (i) 1.80 percent of manganese;
- (ii) 2.25 percent of silicon;
- (iii) 1.00 percent of copper;
- (iv) 0.50 percent of aluminum;
- (v) 1.25 percent of chromium;
- (vi) 0.30 percent of cobalt;
- (vii) 0.40 percent of lead;
- (viii) 1.25 percent of nickel;
- (ix) 0.30 percent of tungsten;
- (x) 0.15 percent of molybdenum;
- (xi) 0.10 percent of niobium;
- (xii) 0.41 percent of titanium;
- (xiii) 0.15 percent of vanadium;
- (xiv) 0.15 percent of zirconium.

Subject pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications. These products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute ("API") API-5L specification, is also covered by the scope of these investigations when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (e.g., polyester coated) surface finish; or has a threaded and/or coupled end finish.

The scope of these investigations does not include: (a) Pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) finished electrical conduit; (c) finished scaffolding;⁷ (d) tube and pipe hollows for redrawing; (e) oil country tubular goods produced to API specifications; (f) line pipe produced to only API specifications; and (g) mechanical tubing, whether or not cold-drawn. However, products certified to ASTM mechanical tubing specifications are not excluded as mechanical tubing if they otherwise meet the standard sizes (e.g., outside diameter and wall thickness) of standard, structural, fence and sprinkler pipe. Also, products made to the following outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, would not be excluded from the scope based solely on their being certified to ASTM mechanical tubing specifications:

- 1.315 inch O.D. and 0.035 inch wall thickness (page 20);
- 1.315 inch O.D. and 0.047 inch wall thickness (page 18);
- 1.315 inch O.D. and 0.055 inch wall thickness (page 17);
- 1.315 inch O.D. and 0.065 inch wall thickness (page 16);
- 1.315 inch O.D. and 0.072 inch wall thickness (page 15);
- 1.315 inch O.D. and 0.083 inch wall thickness (page 14);
- 1.315 inch O.D. and 0.095 inch wall thickness (page 13);
- 1.660 inch O.D. and 0.047 inch wall thickness (page 18);
- 1.660 inch O.D. and 0.055 inch wall thickness (page 17);
- 1.660 inch O.D. and 0.065 inch wall thickness (page 16);
- 1.660 inch O.D. and 0.072 inch wall thickness (page 15);
- 1.660 inch O.D. and 0.083 inch wall thickness (page 14);
- 1.660 inch O.D. and 0.095 inch wall thickness (page 13);
- 1.660 inch O.D. and 0.109 inch wall thickness (page 12);
- 1.900 inch O.D. and 0.047 inch wall thickness (page 18);
- 1.900 inch O.D. and 0.055 inch wall thickness (page 17);
- 1.900 inch O.D. and 0.065 inch wall thickness (page 16);
- 1.900 inch O.D. and 0.072 inch wall thickness (page 15);

⁷ Finished scaffolding is defined as component parts of a final, finished scaffolding that enters the United States unassembled as a "kit." A "kit" is understood to mean a packaged combination of component parts that contain, at the time of importation, all the necessary component parts to fully assemble a final, finished scaffolding.

- 1.900 inch O.D. and 0.095 inch wall thickness (page 13);
- 1.900 inch O.D. and 0.109 inch wall thickness (page 12);
- 2.375 inch O.D. and 0.047 inch wall thickness (page 18);
- 2.375 inch O.D. and 0.055 inch wall thickness (page 17);
- 2.375 inch O.D. and 0.065 inch wall thickness (page 16);
- 2.375 inch O.D. and 0.072 inch wall thickness (page 15);
- 2.375 inch O.D. and 0.095 inch wall thickness (page 13);
- 2.375 inch O.D. and 0.109 inch wall thickness (page 12);
- 2.375 inch O.D. and 0.120 inch wall thickness (page 11);
- 2.875 inch O.D. and 0.109 inch wall thickness (page 12);
- 2.875 inch O.D. and 0.134 inch wall thickness (page 10);
- 2.875 inch O.D. and 0.165 inch wall thickness (page 8);
- 3.500 inch O.D. and 0.109 inch wall thickness (page 12);
- 3.500 inch O.D. and 0.148 inch wall thickness (page 9);
- 3.500 inch O.D. and 0.165 inch wall thickness (page 8);
- 4.000 inch O.D. and 0.148 inch wall thickness (page 9);
- 4.000 inch O.D. and 0.165 inch wall thickness (page 8);
- 4.500 inch O.D. and 0.203 inch wall thickness (page 7).

The pipe subject to these investigations are currently classifiable in Harmonized Tariff Schedule of the United States ("HTSUS") statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. However, the product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States falls within the scope of the investigations.

Appendix II

Scope of the India AD Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter ("O.D.") not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International ("ASTM"), proprietary, or

other) generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which: (a) Iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:

- (i) 1.80 percent of manganese;
- (ii) 2.25 percent of silicon;
- (iii) 1.00 percent of copper;
- (iv) 0.50 percent of aluminum;
- (v) 1.25 percent of chromium;
- (vi) 0.30 percent of cobalt;
- (vii) 0.40 percent of lead;
- (viii) 1.25 percent of nickel;
- (ix) 0.30 percent of tungsten;
- (x) 0.15 percent of molybdenum;
- (xi) 0.10 percent of niobium;
- (xii) 0.41 percent of titanium;
- (xiii) 0.15 percent of vanadium;
- (xiv) 0.15 percent of zirconium.

At the time of the filing of the petition for this case, there was an existing antidumping duty order on welded steel pipe and tube from India. See *Antidumping Duty Order; Certain Welded Carbon Steel Standard Pipes and Tubes from India*, 51 FR 17384 (May 12, 1986). Therefore, the scope of this investigation covers merchandise manufactured and/or exported by Zenith Steel Pipes and Industries Ltd., and any successors-in-interest to that company, which is the only company excluded from the 1986 order known to exist.

Subject pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications. These products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (“API”) API-5L specification, is also covered by the scope of this investigation when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in

length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (e.g., polyester coated) surface finish; or has a threaded and/or coupled end finish.

The scope of this investigation does not include: (a) Pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) finished electrical conduit; (c) finished scaffolding;⁸ (d) tube and pipe hollows for redrawing; (e) oil country tubular goods produced to API specifications; (f) line pipe produced to only API specifications; and (g) mechanical tubing, whether or not cold-drawn. However, products certified to ASTM mechanical tubing specifications are not excluded as mechanical tubing if they otherwise meet the standard sizes (e.g., outside diameter and wall thickness) of standard, structural, fence and sprinkler pipe. Also, products made to the following outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, would not be excluded from the scope based solely on their being certified to ASTM mechanical tubing specifications:

- 1.315 inch O.D. and 0.035 inch wall thickness (page 20);
- 1.315 inch O.D. and 0.047 inch wall thickness (page 18);
- 1.315 inch O.D. and 0.055 inch wall thickness (page 17);
- 1.315 inch O.D. and 0.065 inch wall thickness (page 16);
- 1.315 inch O.D. and 0.072 inch wall thickness (page 15);
- 1.315 inch O.D. and 0.083 inch wall thickness (page 14);
- 1.315 inch O.D. and 0.095 inch wall thickness (page 13);
- 1.660 inch O.D. and 0.047 inch wall thickness (page 18);
- 1.660 inch O.D. and 0.055 inch wall thickness (page 17);
- 1.660 inch O.D. and 0.065 inch wall thickness (page 16);
- 1.660 inch O.D. and 0.072 inch wall thickness (page 15);
- 1.660 inch O.D. and 0.083 inch wall thickness (page 14);
- 1.660 inch O.D. and 0.095 inch wall thickness (page 13);
- 1.660 inch O.D. and 0.109 inch wall thickness (page 12);
- 1.900 inch O.D. and 0.047 inch wall thickness (page 18);
- 1.900 inch O.D. and 0.055 inch wall thickness (page 17);

⁸ Finished scaffolding is defined as component parts of a final, finished scaffolding that enters the United States unassembled as a “kit.” A “kit” is understood to mean a packaged combination of component parts that contain, at the time of importation, all the necessary component parts to fully assemble a final, finished scaffolding.

- 1.900 inch O.D. and 0.065 inch wall thickness (page 16);
- 1.900 inch O.D. and 0.072 inch wall thickness (page 15);
- 1.900 inch O.D. and 0.095 inch wall thickness (page 13);
- 1.900 inch O.D. and 0.109 inch wall thickness (page 12);
- 2.375 inch O.D. and 0.047 inch wall thickness (page 18);
- 2.375 inch O.D. and 0.055 inch wall thickness (page 17);
- 2.375 inch O.D. and 0.065 inch wall thickness (page 16);
- 2.375 inch O.D. and 0.072 inch wall thickness (page 15);
- 2.375 inch O.D. and 0.095 inch wall thickness (page 13);
- 2.375 inch O.D. and 0.109 inch wall thickness (page 12);
- 2.375 inch O.D. and 0.120 inch wall thickness (page 11);
- 2.875 inch O.D. and 0.109 inch wall thickness (page 12);
- 2.875 inch O.D. and 0.134 inch wall thickness (page 10);
- 2.875 inch O.D. and 0.165 inch wall thickness (page 8);
- 3.500 inch O.D. and 0.109 inch wall thickness (page 12);
- 3.500 inch O.D. and 0.148 inch wall thickness (page 9);
- 3.500 inch O.D. and 0.165 inch wall thickness (page 8);
- 4.000 inch O.D. and 0.148 inch wall thickness (page 9);
- 4.000 inch O.D. and 0.165 inch wall thickness (page 8);
- 4.500 inch O.D. and 0.203 inch wall thickness (page 7).

The pipe subject to this investigation is currently classifiable in Harmonized Tariff Schedule of the United States (“HTSUS”) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. However, the product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States falls within the scope of the investigation.

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