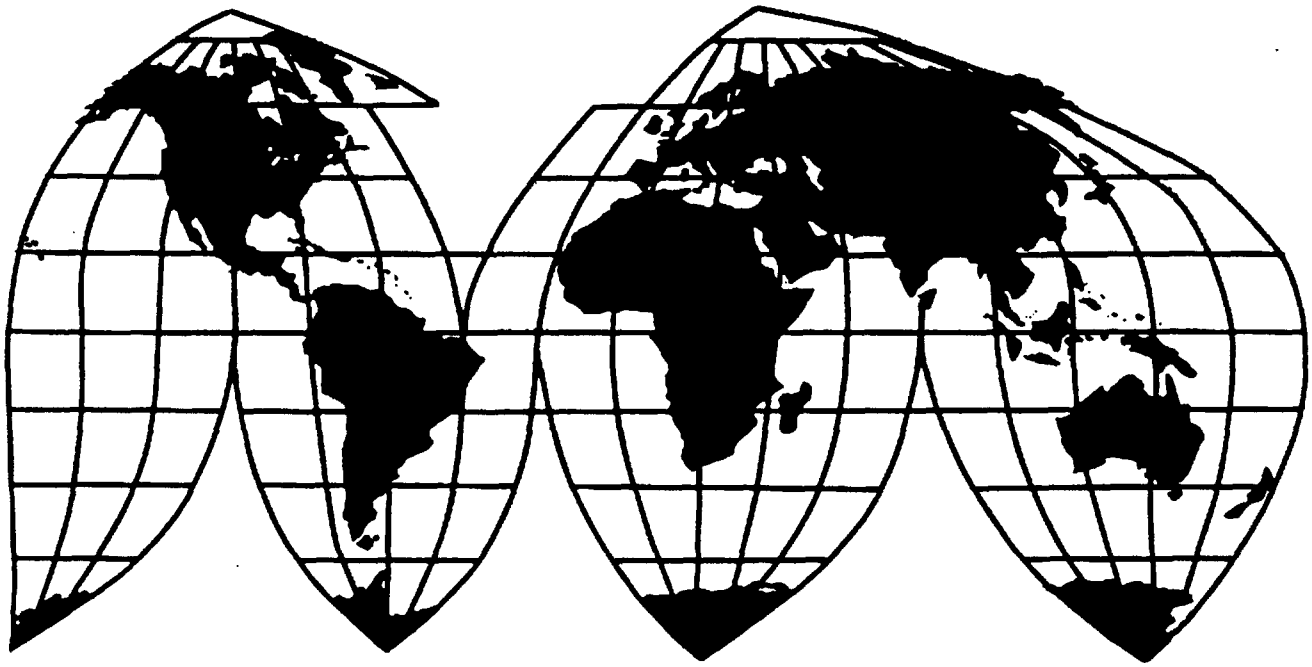
Certain Circular Welded Carbon Quality Line Pipe: Evaluation of the Effectiveness of Import Relief

Investigation No. TA-204-10

Publication 3628 **August 2003**

U.S. International Trade Commission



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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

PART I: INTRODUCTION

On March 1, 2003, the safeguard action imposed by the President on imports of circular welded carbon quality line pipe (welded line pipe) terminated. The action which the President took under section 203 of the Trade Act of 1974 (the Act), was in the form of imposing an additional tariff on imports of welded line pipe effective March 1, 2000, for a period of 3 years and 1 day. Section 204(d) of the Act requires the Commission, after termination of any action taken under section 203, to "evaluate the effectiveness of the actions in facilitating positive adjustment by the domestic industry to import competition, consistent with the reasons set out by the President in the report submitted to the Congress under section 203(b).[1] Accordingly, effective April 11, 2003, the Commission instituted investigation No. TA-204-10, *Certain Circular Welded Carbon Quality Line Pipe: Evaluation of the Effectiveness of Import Relief.*[2] The evaluation must be completed no later than 180 days after the termination of the relief, which in this case is August 28, 2003.

BACKGROUND

On June 30, 1999, a petition for an investigation under section 202 of the Act was filed with the Commission by Geneva Steel Company (Geneva), Vineyard, UT; IPSCO Tubulars, Inc. (IPSCO), Camanche, IA; Lone Star Steel Company (Lone Star), Dallas, TX; LTV Steel Tubular Products Company (LTV), Youngstown, OH;[3] Maverick Tube Corporation (Maverick), Chesterfield, MO; Newport Steel Company (Newport), Newport, KY; Northwest Pipe Company (Northwest), Portland, OR; Stupp Corporation (Stupp), Baton Rouge, LA; and the United Steelworkers of America, AFL-CIO, Pittsburgh, PA. The petition alleged that welded line pipe is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. The Commission instituted an investigation, and on December 22, 1999, reported to the President that, as a result of its investigation, it had made an affirmative injury determination that welded line pipe is being imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the domestic industry producing an article like or directly competitive with the imported article.[4] [5] The Commissioners voting in the affirmative also submitted remedy recommendations. Additionally, the Commission reported that, pursuant to section 311(a) of the North American Free Trade

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[1] President, "Letter to Congressional Leaders on Action Concerning Line Pipe Imports," *Weekly Compilation of Presidential Documents*, vol. 36, No. 8, February 28, 2000, p. 347. A copy of the letter is presented in app. A.

[2] 68 FR 19578, April 21, 2003. A copy of the Commission's *Federal Register* notice is presented in app. B.

[3] In November 1999, LTV purchased Copperweld Corp., Copperweld Canada, Inc. and Welded Tube Co. of America, forming LTV Copperweld as a combination of these purchased companies and LTV Steel Tubular Products (retrieved on May 30, 2001, at *http://yahoo.marketguide.com/mgi*).

[4] Vice Chairman Marcia E. Miller and Commissioners Jennifer A. Hillman and Stephen Koplan found serious injury. Chairman Lynn M. Bragg and Commissioner Thelma J. Askey found a threat of serious injury. Commissioner Carol T. Crawford made a negative determination.

[5] 64 FR 73575, December 30, 1999. The imported article covered by this finding was line pipe provided for in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). The investigation excluded goods commonly described in commercial usage as arctic grade line pipe. For a detailed description of the product subject to investigation, see *The Product* section of this report.

Agreement (NAFTA) Implementation Act,[6] it had made negative findings with respect to imports of welded line pipe from Canada and Mexico.[7]

Following receipt of this report from the Commission, the President, on February 18, 2000, pursuant to section 203 of the Act (19 U.S.C. § 2253), issued Proclamation 7274, imposing import relief in the form of a tariff on imports of welded line pipe for a period of 3 years and 1 day, effective March 1, 2000.

The U.S. welded line pipe safeguard measure, including certain USITC injury findings, was challenged by Korea under the WTO dispute settlement procedures in early 2001. In October 2001, the WTO panel formed to review the matter found that certain aspects of the U.S. measure were inconsistent with U.S. WTO obligations. The United States and Korea appealed certain panel findings, and the WTO Appellate Body in February 2002 affirmed in part and reversed in part findings of the panel.[8] The Appellate Body's report was adopted by the WTO Dispute Settlement Body on March 8, 2002. On July 29, 2002, USTR announced that the United States and Korea had reached an agreement that resolved the dispute.[9]

The European Community (EC) requested WTO dispute settlement consultations with respect to the line pipe safeguards in December 2000; the consultations were held between the United States and the EC on January 26, 2001. The EC subsequently requested establishment of a panel to review both this measure and the U.S. safeguard measure on wire rod. The panel was established but never formed. The consultations did not resolve the dispute.[10]

On August 30, 2001, the Commission submitted to the President and the Congress a midterm report, required under section 204(a) of the Act, that provided the results of the Commission's monitoring of developments with respect to the welded line pipe industry since the imposition of the additional tariff. Information relating to the background of the investigation is presented in the tabulation on the following page.

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[6] 19 U.S.C. § 3371(a).

[7] Chairman Bragg dissented with respect to Mexico. Chairman Bragg found that imports of line pipe from Mexico accounted for a substantial share of total imports and contributed importantly to the threat of serious injury to the domestic industry.

[8] *United States–Definitive Safeguard Measures on Imports of Circular Welded Carbon Quality Line Pipe from Korea*, Report of the Appellate Body, WT/DS202/AB/R (Feb. 15, 2002).

[9] Under the agreement the United States agreed that the section 201 tariff would be applied only if line pipe imports from Korea exceed 17,500 tons per quarter. USTR press release, July 29, 2002, found at *http://www.ustr.gov/releases/2002/07/02-78.*

[10] *United States - Definitive Safeguard Measures on Imports of Steel Wire Rod and Circular Welded Quality Line Pipe from the European Communities* (DS 214).

Effective date	Action	*Federal Register* citation
June 30, 1999	Petition properly filed with the Commission; Commission institutes investigation No. TA-201-70	64 FR 42414, August 4, 1999
October 28, 1999	Commission amends scope of the investigation to exclude arctic-grade line pipe	64 FR 60831, November 8, 1999
December 22, 1999	Commission's findings and recommendations transmitted to the President	64 FR 73575, December 30, 1999
March 1, 2000	Proclamation 7274 issued by the President imposing additional tariffs on the subject product	65 FR 9193, February 23, 2000
March 15, 2001	Institution of investigation No. TA-204-5: Monitoring developments in the domestic industry since relief action	66 FR 16066, March 22, 2001
September 1, 2002	Proclamation 7585 issued by the President modifying provisions of the import relief with respect to imports of line pipe from Korea[1]	67 FR 56207, August 30, 2002
April 11, 2003	Institution of investigation No. TA-204-10: Evaluation of the Effectiveness of Import Relief	68 FR 19578, April 21, 2003
June 25, 2003	Date of Commission's hearing[2]	N.A.
August 28, 2003	Date of Commission's report transmittal to President and Congress	N.A.

[1] USTR issued technical corrections to the HTS (67 FR 62090, October 3, 2002) to correct errors in the proclamation.
[2] No one appeared to give testimony at the hearing.

Note.--Presidential Proclamations cited in the tabulation are presented in app. A. *Federal Register* notices cited in the tabulation are presented in app. B.

SUMMARY DATA

A summary of data collected in the investigation is presented in appendix C. U.S. industry data are based on the questionnaire responses of U.S. producers. U.S. import data are based on official Commerce statistics.

THE PRODUCT

The imported welded line pipe subject to this investigation does not exceed 16 inches (406.4 mm) in outside diameter (OD), and includes:[11]

welded carbon quality line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stenciled, except as provided below. The term "carbon quality" applies to products in which (i) iron predominates, by weight, over each of the other contained elements, (ii) the carbon content is 2 percent or less, by weight, and (iii) none of the elements listed below exceeds the quantity by weight, respectively indicated:

- *1.80 percent or more of manganese, or*
- *2.25 percent of silicon, or*
- *1.00 percent of copper, or*
- *0.50 percent or less of aluminum, or*
- *1.25 percent of chromium, or*
- *0.30 percent of cobalt, or*
- *0.40 percent of lead, or*
- *1.25 percent of nickel, or*
- *0.30 percent of tungsten, or*
- *0.10 percent of molybdenum, or*
- *0.10 percent of niobium, or*
- *0.15 percent of vanadium, or*
- *0.15 percent of zirconium.*

The subject product *does not include goods commonly described in commercial usage as arctic grade line pipe and defined as welded line pipe that–*

(a) has an outside diameter of 114.3 mm or more and a wall thickness equal to or less than 19.05 mm;
(b) when subjected to a Charpy V-notch test performed at minus 45.6 degrees Celsius or below applied to three specimens taken from the weld area, has a joules rating of no less than 23.05 joules for each sample, with an average for all three at no less than 25.76 joules;
(c) using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and
(d) when subjected to a hydrogen induced cracking test to be performed as provided by National Association of Corrosion Engineers (NACE) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent.

[11] Annex to Presidential Proclamation 7274 (65 FR 9195, February 23, 2000; contained in app. A).

Physical Characteristics and Uses

Welded line pipe subject to this investigation is made from "carbon quality" steel. Carbon quality steel includes all carbon steels, including those that have been modified through the addition of small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the HTS.[12] Welded line pipe subject to this investigation is a circular pipe product not exceeding 16 inches (406.4 mm) in OD, irrespective of wall thickness, and is most commonly sold in "double random lengths."[13] Welded line pipe generally has either a black (lacquered) finish or bare surface finish. Welded line pipe is lacquered to protect the pipe from rust, which is especially important for ocean transport or for storage in humid climates. End finishes include plain end, which may be either square cut or beveled for welding, threaded ends, or threaded and coupled, as well as other special end finishes; however, most welded line pipe is not threaded or coupled; rather it has a beveled end for welding in the field.[14]

The subject product includes all pipe of a kind used in oil and gas pipelines, whether or not stenciled, and includes all multi-stenciled pipe with an American Petroleum Institute (API) line pipe stencil. A "stencil" is information marked by the manufacturer with paint stenciled on the outside surface[15] of the pipe indicating the specification in conformance with which it has been manufactured. The API 5L specification for line pipe indicates that the markings should identify the manufacturer's name, specification ("Spec 5L"), size and weight designation, grade and class (e.g., A-25, A, B, and X-42 through X-80), process of manufacture (seamless pipe, welded pipe, or continuous welded pipe), heat treatment, and test pressure. The API 5L specification also suggests that "products in compliance with multiple compatible standards may be marked with the name of each standard."[16] Information gathered during the section 201 safeguard investigation indicates that the U.S. Customs Service classifies any multiple-stenciled product that includes an API line pipe stencil as pipe used for oil or gas pipelines.[17]

Welded line pipe is used for the transmission of gas, oil, or water, generally in pipeline or utility distribution systems.[18] The American Gas Association (AGA) has defined the system types of line pipe as follows:[19]

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[12] Such products would in many cases fall into HTS categories for "other alloy steel" pursuant to note 1(f) to chapter 72. The HTS defines "stainless steel" and "other alloy steel," so other products can generally be thought of as nonalloy; the HTS does not use or define "carbon steel" or "carbon quality" at the legal level. *Certain Circular Welded Carbon Quality Line Pipe: Monitoring Developments in the Domestic Industry*, inv. No. TA-204-5, USITC Pub. 3450, September 2001, (*Certain Line Pipe: Monitoring Developments*), p. I-4, footnote 8.

[13] Nominal 40-45 foot lengths are referred to by the industry as "double random lengths" or "DRL." *Circular Welded Carbon Quality Line Pipe*, inv. No. TA-201-70, USITC Pub. 3261, December 1999, (*Line Pipe*) p. II-5, footnote14.

[14] *Line Pipe,* p. II-5, footnote 16, citing petition in investigation TA-201-70 (Petition), p. 4.

[15] The purchaser and manufacturer can agree to put all or part of the markings on the inside surface of the pipe. Pipe that is 1-1/2 inches and smaller has the identification markings die-stamped on a metal tag fixed to the bundle or printed on the straps or binding clips used to tie the bundle. *Line Pipe,* p. II-5, footnote 17.

[16] *Line Pipe,* p. II-5, footnote 18, citing API, *Specification for Line Pipe: API Specification 5L*, April 1, 1995, pp. 52-53.

[17] *Line Pipe,* p. II-6, footnote 19, citing Petition, pp. 2-3, and Maurice Pincoff's response to Commissioner Crawford's questions, October 11, 1999.

[18] According to petitioners, 90 percent of all products that are carbon quality and stenciled to an API specification are used in oil and gas pipelines and for gathering lines in oil and gas fields. *Line Pipe,* p. II-6, footnote 20.

[19] *Certain Line Pipe: Monitoring Developments,* p. I-4, footnote 13, citing *Gas Facts 2000*, AGA, 1999 data, p. 114.

Distribution: Generally, mains, services, and equipment which carry or control the supply of gas from the point of local supply to and including the sales meters.

Field and gathering: A network of pipelines (mains) transporting natural gas from individual wells to compressor station, processing point, or main trunk pipeline.

Main: The network of distribution piping to which customers' service lines are attached. Generally, large pipes are laid in principal streets with smaller laterals extending along side streets and connected at their ends to form a grid; sometimes laterals are brought to dead ends.

Transmission: Pipelines (mains) installed for the purpose of transmitting gas from a source or sources of supply to one or more distribution centers, or to one or more large volume customers, or a pipeline installed to interconnect sources of supply. In typical cases transmission lines differ from gas mains in that they operate at higher pressures, are longer, and the distance between connections is greater.

Welded line pipe for use in oil and gas pipelines is generally produced to API specifications, which require higher hydrostatic test pressures and more restrictive weight tolerances than standard pipe. Pipe that is in conformance with API Spec. 5L Grade B is automatically also in conformance with the less restrictive standard pipe specification of the American Society for Testing and Materials (ASTM) A-53 Grade B.[20] As a consequence, manufacturers often mark such product with both specifications (the so-called "dual stencil") so that it may be applied for either use.[21] Product may also be simultaneously in conformance with both Grade B and Grade X-42 of the API 5L specification; indeed, most line pipe used in the United States meets the specifications of both Grades B and X-42.[22] Such product may be marked with API 5L Grade B, API 5L Grade X-42, and ASTM A-53 Grade B (the "triple stencil"). Finally, some standard pipe customers require product marked as being in compliance with the American Society of Manufacturing Engineers (ASME) AS-53,[23] which is identical to ASTM A-53; including this information can result in a "quad stencil."

In some instances, welded line pipe may be used in applications that require special properties in addition to or in place of the API Spec. 5L requirements. Examples of such applications include sour gas, sour oil, or sour environment,[24] and extreme low-temperature environment. In such cases, line pipe is produced to special proprietary specifications. Welded line pipe produced for sour environments requires exceptionally clean, low-carbon steel to resist sulfide stress-cracking. This incidence is affected by several interacting factors, including the chemical composition, strength, heat treatment, and

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[20] ASTM A-53 covers seamless and welded black and hot-dipped galvanized steel pipe intended for mechanical and pressure applications and that is also acceptable for ordinary uses in steam, water, gas, and air lines. *Line Pipe*, p. II-6, footnote 21.

[21] *Line Pipe,* p. II-6, footnote 22, citing *Specifications for Line Pipe: API Specification 5L*, 41st ed., American Petroleum Institute (Washington, DC: 1995), pp. 7, 15-23, and 35, and *1995 Annual Book of ASTM Standards*, vol. 01.01 (Philadelphia, PA: 1995), pp. 3 and 10-12.

[22] *Line Pipe*, p. II-6, footnote 23, citing the transcript of the section 201 injury hearing, p. 64.

[23] ASME AS-53 is a standard identical to ASTM A-53 (October 13, 1999, telephone interview with ***). Certification to ASME standards is required for some construction projects. *Line Pipe*, p. II-6, footnote 24.

[24] Sour gas and sour oil refer to gas or oil containing free sulfur, hydrogen sulfide (H_2S), or other sulfur compounds in excess of 1 percent (for oil) or 10 grains of H_2S or 200 grains of total sulfur per 1,000 cubic feet (for gas). Sour environment refers to fluids containing water as a liquid and H_2S. *Line Pipe*, p. II-6, footnote 25, citing API, "'S' Index," found at Internet address *http://www.api.org/pidex/Library/PIDD/pages/s.htm*, retrieved September 2, 1999.

microstructure of the metal; pH levels; hydrogen sulfide concentration and total pressure; total tensile strength; temperature; and time.[25]

Manufacturing Process

Welded line pipe is most commonly manufactured by the electric resistance weld (ERW)[26] process; however, the continuous weld (CW)[27] process can be used for pipe up to 4.5 inches (114.3 mm) in OD. The manufacture of welded line pipe by the ERW process begins with coils of hot-rolled sheet steel,[28] which are cut by a slitting machine into strips of the precise width needed to produce a desired diameter of pipe. The slit coils are fed into the tube mills, which cold-form the flat ribbon of steel into a tubular cylinder by a series of tapered forming rolls. The product is then welded along the joint axis. The welded tube then passes under a tool which removes the outside flash resulting from the pressure during welding. Inside flash is likewise removed by cutting tools. The tube is then subjected to such post-weld heat treatment as is required. Such treatment may involve heat treatment of the welded seam only or treatment of the full cross-section of the pipe. After heat treatment, sizing rolls shape the tube to accurate diameter tolerances. The product is cooled and then cut at the end of the tube mill by a flying shear or saw.[29]

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[25] *Line Pipe*, p. II-6, footnote 26, citing API, "'S' Index," found at Internet address *http://www.api.org/pidex/Library/PIDD/pages/s.htm*, retrieved September 2, 1999.

[26] ERW is a process where the strip edges are mechanically pressed together and welded. The heat for welding is generated by resistance of the steel to the flow of electric current. In one process, a low frequency (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 under them. A second variation uses high frequency current (in the range of 400 to 500 kilohertz) which enters the tubing through shoes which act as 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. *Line Pipe*, p. II-7, footnote 27, citing American Iron and Steel Institute, *Steel Products Manual Steel-Specialty Tubular Products*, October 1980, pp. 19-20.

[27] CW is a process of forming a seam by heating the steel in a furnace and mechanically pressing the formed edges together as it passes through a series of round welding rolls. Successive coils are joined together to provide a continuous flow of steel to the welding mill. This process is also known as continuous butt welding. Steel for the manufacture of CW pipe is sometimes called "skelp." According to the API line pipe specification, only grade A-25 can be manufactured using the CW process. According to industry representatives, CW line pipe makes up a small portion of the welded line pipe market. *Line Pipe*, p. II-7, footnote 28, citing USITC interview with ***, September 9, 1999.

[28] Steel that is over 0.1875 inch in thickness if over 48 inches in width, or over 0.230 inch in thickness if 48 inches or under in width, may be called "plate in coils." *Line Pipe*, p. II-7, footnote 29.

[29] *Line Pipe*, p. II-7, footnote 30, citing United States Steel, "Manufacture of Steel Tubular Products," ch. in *The Making, Shaping, and Treating of Steel*, 10th ed. (Pittsburgh, PA: Herbick & Held, 1985), p. 1,029.

U.S. TARIFF TREATMENT

U.S. imports of welded line pipe are subject to import duties (tariffs) as provided by the HTS. The 2000-2003 column 1-general rates of duty for the subheadings covered by this investigation are as follows (in percent *ad valorem*):

Subheadings	2000	2001	2002	2003
Line pipe of a kind used for oil or gas pipelines:				
7306.10.10-- Of iron or nonalloy steel	0.8	0.6	0.4	0.2
7306.10.50-- Of alloy steel	2.0	1.5	1.0	0.5

The rates of duty will be reduced to an eventual rate of "free" as of January 1, 2004, as provided for in Presidential Proclamation 6763 (annex D(1)) implementing the Uruguay Round concessions.

The 2003 rate of duty under NAFTA for qualifying welded line pipe comprising goods from Canada and Mexico under both of the above subheadings is free; goods from Canada have had a duty rate of "free" during the entire period of import relief, while the duty on goods from Mexico has been "free" only since 2003. In 2002, goods from Mexico could enter at the following duty rates: for subheading 7306.10.10, 0.1 percent *ad valorem*, and for subheading 7306.10.50, 0.4 percent *ad valorem*. Other special tariff programs provide duty-free entry to eligible products of Israel under the United States-Israel Free Trade Area Implementation Act (IFTA Act), of beneficiaries of the Caribbean Basin Economic Recovery Act (CBERA) and Andean Trade Preferences Act (ATPA), and of the least-developed beneficiary developing countries under the Generalized System of Preferences (GSP).

Safeguard Tariff

Presidential Proclamation 7274, which added U.S. note 10 and subheadings 9903.72.20 through 9903.72.25 to subchapter III of chapter 99 of the HTS, implemented relief action in the form of an increase in tariffs, effective March 1, 2000, for a period of 3 years and 1 day.[30] The principal provisions of the proclamation were that:

1) The increase in duty was 19 percent *ad valorem* in the first year of relief, declining to 15 and 11 percent *ad valorem* in the second and third years, respectively. The first 9,000 short tons of imports from each supplying country were exempted each year.

2) The President determined that imports of line pipe from Canada and Mexico, considered individually, did not contribute importantly to the serious injury, or threat of serious injury, found by the USITC. Accordingly, welded line pipe the product of Canada and Mexico were excluded from the relief action.

3) During the period of relief action, duty-free treatment was suspended for line pipe the product of beneficiary countries under the GSP, the CBERA, and the ATPA; and for the product of Israel under the IFTA Act.

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[30] *Proclamation 7274--To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe*, 65 FR 9193, February 23, 2000.

Presidential Proclamation 7585 modified the first provision mentioned above with respect to imports from Korea during September 1, 2002 to March 1, 2003 by increasing the amount of imports from Korea exempt from additional duties from 9,000 short tons per year to 17,500 short tons for the two quarterly periods during September 1, 2002 to March 1, 2003.[31]

[31] *Proclamation 7585--To Implement an Agreement Regarding Imports of Line Pipe Under Section 203 of the Trade Act of 1974*, 67 FR 56207, August 30, 2002, as modified by USTR to correct errors in the proclamation, ("Technical Corrections to the Harmonized Tariff Schedule of the United States," 67 FR 62090, October 3, 2002).

PART II: THE U.S. MARKET

U.S. PRODUCERS

The Commission mailed 45 questionnaires to firms believed to be producing welded line pipe and/or standard pipe during all or part of the period January 2000 through March 2003. Ten firms returned completed questionnaires.

A major change in production facility status since 2000 was the closure of Geneva in November 2001.[1] Geneva produced steel plate, sheet, slab, and pipe at its Vineyard, UT facility.[2] The company spent much of 2002 attempting to line up nearly $250 million to repay an existing, government-guaranteed loan and to finance a $140-million plan to transform itself from an integrated steel producer into an electric-furnace-based mini-mill augmented by liquid iron from its existing blast furnaces.[3] In November 2002, the company announced that it had been unable to obtain financing for its business plan and would develop a plan that would likely include a liquidation of the company either as a single entity or in smaller pieces.[4] Presently, the fate of Geneva is unknown. Although liquidation is officially underway, no major pieces of equipment have been sold and there are reports that efforts are ongoing to find buyers who would operate on site.[5]

Table II-1 presents data, for the U.S. companies that accounted for virtually all production of welded line pipe in the United States during 2000, on the company's position on the petition during investigation No. TA-201-70, whether the company submitted a questionnaire response for the current investigation, and the current operating status of the company.

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[1] Geneva Steel was *** U.S. producer in 2000 with a *** percent share of reported U.S. production (*Certain Circular Welded Carbon Quality Line Pipe: Monitoring Developments in the Domestic Industry,* confidential report to the President, August 30, 2001, p. II-2).

[2] Line pipe accounted for 5-9 percent of Geneva's sales between fiscal years 1996 and 2000, while plate and sheet accounted for 73-82 percent and slab accounted for the balance. Geneva Steel Holdings Corp., Form 10-K, Fiscal Year ended September 30, 2000, p. 6.

[3] *"Geneva Steel walks last mile toward liquidation,"* American Metal Market, April 2, 2003.

[4] Ibid.

[5] *"Talk intensifies as key Geneva assets stay put,"* American Metal Market, June 11, 2003 and USITC staff interview with ***.

Table II-1
Welded line pipe: U.S. firms, positions on the petition, questionnaire submission, and current status of firm

Firm	Position on petition for inv. No. TA-201-70	Questionnaire submitted for inv. No. TA-204-10	Current status
American Steel Pipe (American)	***[1]	***	Operating.
California Steel Industries, Inc. (California)	***	***	Operating.
Geneva	Petitioner	***	Closed. Filed for Chapter 11 bankruptcy in 1999, emerged from bankruptcy in January 2001. A "temporary" shutdown of substantially all of the production facilities was announced in November 2001. Geneva filed for Chapter 11 bankruptcy again in January 2002.
IPSCO	Petitioner	***	Operating.
Lone Star	Petitioner	***	Operating.
LTV	Petitioner	Not applicable	Operating under new ownership. LTV purchased Copperweld and Welded Tube of America in 1999, creating the LTV Copperweld group, which was the combination of the two companies and LTV's own Tubular Products Division. LTV filed for Chapter 11 bankruptcy in December 2000. International Steel Group purchased the assets of LTV Steel in March 2002. The former Copperweld and Welded Tube units were organized as a separate, stand-alone company in October 2002 and Maverick Tube Corp. purchased the former tubular division of LTV in December 2002.
Maverick	Petitioner	***	Operating. Maverick acquired Prudential Steel Inc.'s mill located in Longview, WA in 2001. That mill was relocated to Hickman, AR in 2002. Maverick also acquired two former LTV tube plants, located in Counce, TN and Youngstown, OH, in December 2002. In February 2003, Maverick announced the closing of the Youngstown, OH facility. Maverick's reported production data ***.
Newport	Petitioner	***	Operating.
Northwest	Petitioner	***	Operating.
Prudential Steel, Ltd. (Prudential)	***	Not applicable	Operating under new ownership. Prudential was acquired by Maverick in 2001.
Sawhill Tubular Division of AK Steel (Sawhill)	***	Not applicable	Operating under new ownership. AK Steel sold its Sawhill tubular division to John Maneely Co. (parent company of Wheatland Tube) in April 2002.
Stupp	Petitioner	***	Operating.
Tex-Tube Co.[2] (Tex-Tube)	***	***	Operating.

Table continued on next page.

Table II-1--*continued*
Welded line pipe: U.S. firms, positions on the petition, questionnaire submission, and current status of firm

Firm	Position on petition for inv. No. TA-201-70	Questionnaire submitted for inv. No. TA-204-10	Current status
Texas Tubular Products (Texas Tubular)	***	***	Operating. ***.
U.S. Steel (USS)[3]	***	***	Operating.
Wheatland Tube Co. (Wheatland)	***	***	Operating. In April 2002, Wheatland's parent, John Maneely Co., purchased the assets of the Sawhill Tubular Division of AK Steel Corp.

[1] ***.
[2] Tex-Tube is in an alliance with Lone Star. ***. Tex-Tube's welded line pipe production is exclusively marketed by Lone Star.
[3] The subject products were produced for USS under a toll processing arrangement with Camp Hill Corp. in McKeesport, PA, whereby Camp Hill is paid a tolling fee for processing USS's hot-rolled steel plate into the subject products. The land and equipment utilized at McKeesport are owned by USS and leased to Camp Hill. Responsibility for investments in capital improvements are negotiated by the two firms. In 2000, USS entered into a sales agreement with Lone Star, whereby USS provides its toll-produced subject pipe to Lone Star for sales and distribution. In 2002, USS canceled the agreement.

Source: "Bankruptcies," AISE Steel News, found at *http://www.steelnews.com/companies/chapter11/geneva_steel.htm*, retrieved on July 10, 2003, "LTV News Archives," *http://www.steelnews.com/companies/chapter11/ltv_steel.htm*, "Bankrupcies, LTV Steel", retrieved on July 14, 2003; "Milestones", found at the website of Maverick Tube Co. *http://www.maverick-tube.com/-about/milestones.asp*, retrieved on July 14, 2003. "AK Completes Sawhill Tubular Division Sale", found at *http://www.steelnews.com/north_american/april02/april53.htm*, retrieved on July 14, 2003, Maverick Tube Co. "Maverick Tube Corporation Announces Closing of its Youngstown, Ohio Manufacturing Facility," press release found at *http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=MVK&script=410&layout=23&item_id=378311*, retrieved on July 14, 2003, "History," found on website of Prudential Steel Ltd., at http://www.prudentialsteel.com/corporate_info/history.shtml, retrieved on July 14, 2003, and questionnaire data.

Table II-2 presents data on each producer's share of reported production in 2002, production location(s), and parent company, where applicable. Three firms are owned in whole or in part by firms located outside of the United States.

Table II-2
Welded line pipe: U.S. firms, shares of reported 2002 U.S. production, U.S. production locations, and parent companies

Firm	Share of production (*percent*)	Production location(s)	Parent company and country
American	***	Birmingham, AL	Not applicable
California	***	Fontana, CA	Kawasaki (Japan): *** percent ownership share; CVRD (Brazil): *** percent ownership share
IPSCO	***	Camanche, IA Blytheville, AR[1]	IPSCO, Inc. (Canada)
Lone Star[2]	***	Lone Star, TX	Lone Star Technologies (U.S.)
Maverick[3]	***	Hickman, AR Conroe, TX Counce,TN Youngstown, OH	Not applicable
Newport	***	Wilder, KY	NS Group, Inc. (U.S.)
Northwest	***	Portland, OR	Not applicable
Stupp	***	Baton Rouge, LA	Stupp Bros., Inc. (U.S.)
Tex-Tube[4]	***	Houston, TX	Visteel, Inc.[5] (Mexico) *** percent ownership share Merfish LTD (USA) *** percent ownership share Jacobson LTD (USA) *** percent ownership share
USS[6]	***	McKeesport, PA	USX Corp. (U.S.)

[1] Construction of the Blytheville, AR, mill was completed in the first quarter of 1999 while production commenced in the third quarter.
[2] In addition to its own production operations, Lone Star has alliances with Bellville Tube Corporation and Tex-Tube. Bellville Tube Corp. was acquired by Lone Star in 2000. Subject product produced ***.
[3] Maverick acquired Prudential's mill located in Longview, WA in 2001. That mill was relocated to Hickman, AR, in 2002. Maverick also acquired two former LTV tube plants, located in Counce, TN and Youngstown, OH, in December 2002. Maverick's production data ***.
[4] Tex-Tube is in an alliance with Lone Star. ***. Tex-Tube's welded line pipe production is exclusively marketed by Lone Star.
[5] Visteel, Inc. is a wholly-owned U.S. subsidiary of Group Villacero, a Mexican company.
[6] The subject products were produced for USS under a toll processing arrangement with Camp Hill Corp. in McKeesport, PA, whereby Camp Hill is paid a tolling fee for processing USS's hot-rolled steel plate into the subject products. The land and equipment utilized at McKeesport are owned by USS and leased to Camp Hill. Responsibility for investments in capital improvements are negotiated by the two firms. In 2000, USS entered into a sales agreement with Lone Star, whereby USS provides its toll-produced subject pipe to Lone Star for sales and distribution. In 2002, USS canceled the agreement.

Source: Compiled from data submitted in response to Commission questionnaires and various articles in the trade press.

U.S. IMPORTS

U.S. imports of welded line pipe are presented in table II-3 and are based on official Commerce statistics unless otherwise noted. Total imports increased during 2000-2002 by *** percent by volume. Imports from countries covered by the additional tariff increased by *** percent, whereas imports from countries not covered by the additional tariff decreased during this period by 19.9 percent.

Table II-3
Welded line pipe: U.S. imports, by principal sources, 2000-2002 and January-February 2003

Source	Calendar years			January-February
	2000	2001	2002	2003
	Quantity (*short tons*)			
Covered sources: China	8,825	2,537	17,927	5,916
Germany[1]	***	0	1,732	0
Japan[2]	***	8,121	15,482	612
Korea	39,707	12,212	57,101	14,025
South Africa	4,181	2,255	8,514	0
Taiwan	13,543	5,978	7,185	2,290
Turkey	0	11,898	1,296	0
U.K.	2,242	233	275	0
Venezuela	4,483	3,888	16,048	0
All others	12,962	30,053	19,936	4,486
Subtotal covered	***	77,174	145,495	27,329
Non-covered sources: Canada	16,672	11,888	5,355	631
Mexico	51,573	50,943	49,301	4,972
Subtotal non-covered	68,245	62,831	54,656	5,603
Total	***	140,005	200,151	32,932

Table continued on next page.

Table II-3–*Continued*
Welded line pipe: U.S. imports, by principal sources, 2000-2002 and January-February 2003

Source	Calendar years			January-February
	2000	2001	2002	2003
	Value (*$1,000*)[3]			
Covered sources: China	2,775	747	5,744	2,141
Germany[1]	***	0	893	0
Japan[2]	***	3,614	5,493	282
Korea	15,839	4,585	19,854	5,516
South Africa	1,734	919	2,933	0
Taiwan	4,738	2,029	2,381	881
Turkey	0	4,216	414	0
U.K.	1,037	109	108	0
Venezuela	1,870	1,558	5,321	0
All others	4,972	14,962	7,571	1,634
Subtotal covered	***	32,738	50,712	10,453
Non-covered sources: Canada	8,058	6,321	2,800	360
Mexico	23,378	21,552	22,270	2,339
Subtotal non-covered	31,436	27,873	26,070	2,700
Total	***	60,611	75,782	13,153
	Unit value (per ton)			
Covered sources: China	$314.46	$294.63	$320.41	$361.99
Germany[1]	***	([4])	515.56	([4])
Japan[2]	***	445.00	354.79	460.55
Korea	398.89	375.43	347.70	393.28
South Africa	414.60	407.53	344.44	([4])
Taiwan	349.83	339.38	331.46	384.49
Turkey	([4])	354.32	319.56	([4])
U.K.	460.72	468.27	391.61	([4])
Venezuela	417.12	400.63	331.58	([4])
All others	383.55	497.85	379.78	364.10
Subtotal covered	***	424.21	348.55	382.49
Non-covered sources: Canada	483.33	531.70	522.83	571.35
Mexico	453.30	423.06	451.72	470.49
Subtotal non-covered	460.64	443.62	458.69	481.85
Average	***	432.92	378.62	399.39

Table continued on next page.

Table II-3–*Continued*
Welded line pipe: U.S. imports, by principal sources, 2000-2002 and January-February 2003

Source	Calendar years			January-February
	2000	2001	2002	2003
	Share of total quantity (*percent*)			
Covered sources: China	***	1.8	9.0	18.0
Germany[1]	***	0.0	0.9	0.0
Japan[2]	***	5.8	7.7	1.9
Korea	***	8.7	28.5	42.6
South Africa	***	1.6	4.3	0.0
Taiwan	***	4.3	3.6	7.0
Turkey	***	8.5	0.6	0.0
U.K.	***	0.2	0.1	0.0
Venezuela	***	2.8	8.0	0.0
All others	***	21.5	10.0	13.6
Subtotal covered	***	55.1	72.7	83.0
Non-covered sources: Canada	***	8.5	2.7	1.9
Mexico	***	36.4	24.6	15.1
Subtotal non-covered	***	44.9	27.3	17.0
Total	100.0	100.0	100.0	100.0
	Share of total value (*percent*)			
Covered sources: China	***	1.2	7.6	16.3
Germany[1]	***	0.0	1.2	0.0
Japan[2]	***	6.0	7.2	2.1
Korea	***	7.6	26.3	41.9
South Africa	***	1.5	3.9	0.0
Taiwan	***	3.3	3.1	6.7
Turkey	***	7.0	0.5	0.0
U.K.	***	0.2	0.1	0.0
Venezuela	***	2.6	7.0	0.0
All others	***	24.7	10.0	12.4
Subtotal covered	***	54.0	66.9	79.5

Table continued on next page.

Table II-3–*Continued*
Welded line pipe: U.S. imports, by principal sources, 2000-2002 and January-February 2003

Source	Calendar years			January-February
	2000	2001	2002	2003
	Share of total value (*percent*)			
Non-covered sources: Canada	***	10.4	3.7	2.7
Mexico	***	35.6	29.4	17.8
Subtotal non-covered	***	46.0	33.1	20.5
Total	100.0	100.0	100.0	100.0

[1] Official Commerce statistics for imports of the subject product from Germany during 2000 are incomplete. While official Commerce statistics report 6,850 short tons of subject imports from Germany during March 2000-February 2001, Customs Quota Weekly Status Reports indicate that imports from Germany exceeded the 9,000 ton exemption during the period. Counsel for the German respondents, during investigation No. TA-204-5, submitted Customs entry documents to the Commission which indicate that *** short tons of the subject product, valued at $*** million, were imported from Germany during March-December 2000, and such data are used instead of official statistics.

[2] Imports from Japan during 2000 have been adjusted to exclude arctic-grade line pipe (questionnaire responses) and alloy pipe (official statistics). There were no imports of arctic grade line pipe and only *** short tons of alloy line pipe during 2000. The value figure includes an estimate for additional duties on approximately $*** of merchandise at the 19 percent over exempted duty rate (June 12, 2001, submission of Barnes, Richardson and Colburn during investigation No. TA-204-5). Since the amount of excluded product was small during 2000, official Commerce statistics are used for all other periods.

[3] Landed, duty-paid value, except as noted.

[4] Not applicable.

Note: Because of adjustments made to official Commerce statistics, certain data in the above table for 2000 are confidential.

Source: Compiled from official Commerce statistics with 2000 data adjusted by information from submissions, during investigation No. TA-204-5, by counsels representing producers in Germany and Japan.

Imports from only six countries exceeded the 9,000 short tons threshold granted to each covered country during the period of import relief--China, Germany, Japan, Korea, Taiwan, and Venezuela. Imports from only one country, Korea, exceeded the threshold in every period. Table II-4 presents data on imports within and exceeding the threshold.

Table II-4
Welded line pipe: Imports, within and exceeding import threshold, by sources, March 2000-February 2001, March 2001-February 2002, and March 2002-February 2003

Source	Mar. 2000-Feb. 2001	Mar. 2001-Feb. 2002	Mar. 2002-Feb. 2003
	Quantity (*short tons*)		
Covered sources:			
China:			
Within threshold	1,089	6,391	9,000
Over threshold	0	0	10,138
Total	1,089	6,391	19,138
Germany:			
Within threshold	8,913	1,699	28
Over threshold	1,459	0	6
Total	10,372	1,699	34
Japan:			
Within threshold	5,955	6,128	9,000
Over threshold	0	0	5,811
Total	5,955	6,128	14,811
Korea:[1]			
Within threshold	9,000	9,000	44,022
Over threshold	15,819	3,195	27,075
Total	24,819	12,194	71,098
South Africa:			
Within threshold	4,190	2,255	8,943
Over threshold	0	0	4
Total	4,190	2,255	8,948
Taiwan:			
Within threshold	9,000	6,941	8,273
Over threshold	911	0	80
Total	9,911	6,941	8,353
Turkey:			
Within threshold	5,488	6,412	1,296
Over threshold	0	0	0
Total	5,488	6,412	1,296
United Kingdom:			
Within threshold	3,836	3,261	3,159
Over threshold	0	0	0
Total	3,836	3,261	3,159
Venezuela:			
Within threshold	7,857	7,578	9,000
Over threshold	0	0	0
Total	7,857	7,578	9,000
All others:			
Within threshold	7,503	22,770	16,817
Over threshold	25	0	56
Total	7,528	22,770	16,873

[1] Threshold amounts were modified for Korea in 2002. The threshold amounts were: March-August 2002, 9,000 short tons; September-November 2002, 17,500 short tons; December 2002-March 2003, 17,500 short tons.

Source: Correspondence with ***, Bureau of Customs and Border Protection, May 28, 2003.

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of welded line pipe, presented in table II-5, are based on U.S. producers' shipments as reported in the questionnaires and imports as recorded in official Commerce statistics. Due to the lack of questionnaire responses from companies which accounted for approximately 23 percent of reported production in 2000, U.S. shipment and apparent consumption data are understated in tables II-5, II-6, and II-7.[6]

U.S. MARKET SHARES

Data relating to market shares based on U.S. producers' shipments and U.S. imports are presented in table II-6.

U.S. IMPORTS RELATIVE TO PRODUCTION

Data on the ratio of U.S. imports of welded line pipe to U.S. production are presented in table II-7.

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[6] *Certain Circular Welded Carbon Quality Line Pipe: Monitoring Developments in the Domestic Industry,* confidential report to the President, August 30, 2001, p. II-2.

Table II-5
Welded line pipe: U.S. shipments of domestic product, U.S. imports, by principal sources, and apparent U.S. consumption, 2000-2002 and January-February 2003

Item	Calendar years			January-February 2003
	2000	2001	2002	
	Quantity (*short tons*)			
U.S. shipments	520,416	448,907	385,467	69,118
U.S. imports from--				
Covered sources:				
China	8,825	2,537	17,927	5,916
Germany	***	0	1,732	0
Japan	***	8,121	15,482	612
Korea	39,707	12,212	57,101	14,025
South Africa	4,181	2,255	8,514	0
Taiwan	13,543	5,978	7,185	2,290
Turkey	0	11,898	1,296	0
United Kingdom	2,242	233	275	0
Venezuela	4,483	3,888	16,048	0
All other covered	12,962	30,053	19,936	4,486
Subtotal covered	***	77,174	145,495	27,329
Non-covered sources:				
Canada	16,672	11,888	5,355	631
Mexico	51,573	50,943	49,301	4,972
Subtotal non-covered	68,245	62,831	54,656	5,603
Total U.S. imports	***	140,005	200,151	32,932
Apparent consumption	***	588,912	585,618	102,050
	Value ($1,000)			
U.S. shipments	260,343	217,183	183,390	32,931
U.S. imports from--				
Covered sources:				
China	2,775	747	5,744	2,141
Germany	***	0	893	0
Japan	***	3,614	5,493	282
Korea	15,839	4,585	19,854	5,516
South Africa	1,734	919	2,933	0
Taiwan	4,738	2,029	2,381	881
Turkey	0	4,216	414	0
United Kingdom	1,037	109	108	0
Venezuela	1,870	1,558	5,321	0
All other covered	4,972	14,962	7,571	1,634
Subtotal covered	***	32,738	50,712	10,453
Non-covered sources:				
Canada	8,058	6,321	2,800	360
Mexico	23,378	21,552	22,270	2,339
Subtotal non-covered	31,436	27,873	26,070	2,700
Total U.S. imports	***	60,611	75,782	13,153
Apparent consumption	***	277,794	259,172	46,084

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

Table II-6
Welded line pipe: Apparent U.S. consumption and market shares, 2000-2002 and January-February 2003

Item	Calendar years			January-February 2003
	2000	2001	2002	
	Quantity (*short tons*)			
Apparent consumption	***	588,912	585,618	102,050
	Value (*$1,000*)			
Apparent consumption	***	277,794	259,172	46,084
	Share of quantity (*percent*)			
U.S. shipments	***	76.2	65.8	67.7
U.S. imports from-- *Covered sources*: China	***	0.4	3.1	5.8
Germany	***	0.0	0.3	0.0
Japan	***	1.4	2.6	0.6
Korea	***	2.1	9.8	13.7
South Africa	***	0.4	1.5	0.0
Taiwan	***	1.0	1.2	2.2
Turkey	***	2.0	0.2	0.0
U.K.	***	([1])	([1])	0.0
Venezuela	***	0.7	2.7	0.0
All others	***	5.1	3.4	4.4
Subtotal covered	***	13.1	24.8	26.8
Non-covered sources: Canada	***	2.0	0.9	0.6
Mexico	***	8.7	8.4	4.9
Subtotal non-covered	***	10.7	9.3	5.5
Total U.S. imports	***	23.8	34.2	32.3
	Share of value (*percent*)			
U.S. shipments	***	78.2	70.8	71.5
U.S. imports from-- *Covered sources*: China	***	0.3	2.2	4.6
Germany	***	0.0	0.3	0.0
Japan	***	1.3	2.1	0.6
Korea	***	1.7	7.7	11.9
South Africa	***	0.3	1.1	0.0
Taiwan	***	0.7	0.9	1.9
Turkey	***	1.5	0.2	0.0
U.K.	***	([1])	([1])	0.0
Venezuela	***	0.6	2.1	0.0
All others	***	5.4	2.9	3.5
Subtotal covered	***	11.8	19.6	22.7
Non-covered sources: Canada	***	2.3	1.1	0.8
Mexico	***	7.8	8.6	5.1
Subtotal non-covered	***	10.0	9.7	5.9
Total U.S. imports	***	21.8	29.2	28.5

[1] Less than 0.05 percent.

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

Table II-7
Welded line pipe: U.S. production, U.S. imports, by principal sources, and ratios of imports to production, 2000-2002 and January-February 2003

Item	Calendar years			January-February 2003
	2000	2001	2002	
	Quantity (*short tons*)			
U.S. production	592,856	476,240	409,292	69,017
U.S. imports from--				
Covered sources:				
China	8,825	2,537	17,927	5,916
Germany	***	0	1,732	0
Japan	***	8,121	15,482	612
Korea	39,707	12,212	57,101	14,025
South Africa	4,181	2,255	8,514	0
Taiwan	13,543	5,978	7,185	2,290
Turkey	0	11,898	1,296	0
U.K.	2,242	233	275	0
Venezuela	4,483	3,888	16,048	0
All others	12,962	30,053	19,936	4,486
Subtotal covered	***	77,174	145,495	27,329
Non-covered sources:				
Canada	16,672	11,888	5,355	631
Mexico	51,573	50,943	49,301	4,972
Subtotal non-covered	68,245	62,831	54,656	5,603
Total U.S. imports	***	140,005	200,151	32,932
	Ratio to U.S. production (*percent*)			
U.S. imports from--				
Covered sources:				
China	***	0.5	4.4	8.6
Germany	***	0.0	0.4	0.0
Japan	***	1.7	3.8	0.9
Korea	***	2.6	14.0	20.3
South Africa	***	0.5	2.1	0.0
Taiwan	***	1.3	1.8	3.3
Turkey	***	2.5	0.3	0.0
United Kingdom	***	([1])	0.1	0.0
Venezuela	***	0.8	3.9	0.0
All others	***	6.3	4.9	6.5
Subtotal covered	***	16.2	35.5	39.6
Non-covered sources:				
Canada	***	2.5	1.3	0.9
Mexico	***	10.7	12.0	7.2
Subtotal non-covered	***	13.2	13.4	8.1
Total U.S. imports	***	29.4	48.9	47.7

[1] Less than 0.05 percent.

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

PART III: CONDITION OF THE U.S. INDUSTRY

CHANGES IN OPERATIONS

The Commission's questionnaires in the subject investigation requested information on changes in the character of U.S. producers' welded line pipe operations during January 2000 through March 2003. The following comments were received from responding firms:

* * * * * * *

Due to the lack of questionnaire responses from companies which accounted for approximately 23 percent of reported production in 2000,[1] data pertaining to shipments, capacity, production, employment, hours worked, and wages paid, and sales are understated in tables III-I through III-6.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Data on U.S. producers' line pipe production, capacity, and capacity utilization are presented in table III-1. Although production capacity increased by 5.3 percent during 2000-2002, production decreased by 31.0 percent during the same period.

Table III-1
Welded line pipe: U.S. producers' capacity, production, and capacity utilization, 2000-2002 and January-February 2003

Item	Calendar years			January-February
	2000	2001	2002	2003
Capacity *(short tons)*	1,067,131	1,061,970	1,123,290	212,682
Production *(short tons)*	592,856	476,240	409,292	69,017
Capacity utilization *(percent)*	55.6	44.8	36.4	32.5

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

U.S. PRODUCERS' DOMESTIC SHIPMENTS, INTERNAL CONSUMPTION, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Data on U.S. producers' shipments are presented in table III-2. U.S. producers' internal consumption and transfers to related firms accounted for *** percent of U.S. shipments during January 2000-March 2003. Exports declined every year during 2000-2002 for an overall decrease of 52.2 percent by volume.

[1] *Certain Circular Welded Carbon Quality Line Pipe: Monitoring Developments in the Domestic Industry,* confidential report to the President, August 30, 2001, p. II-2.

Table III-2
Welded line pipe: U.S. producers' shipments, by type, 2000-2002 and January-February 2003

Item	Calendar years			January-February
	2000	2001	2002	2003
	Quantity (*short tons*)			
Commercial shipments	***	***	***	***
Internal consumption	***	***	***	***
Transfers to related firms	0	***	0	0
U.S. shipments	520,416	448,907	385,467	69,118
Export shipments	57,690	32,852	27,601	8,064
Total shipments	578,106	481,759	413,068	77,182
	Value (*1,000 dollars*)			
Commercial shipments	***	***	***	***
Internal consumption	***	***	***	***
Transfers to related firms	0	***	0	0
U.S. shipments	260,343	217,183	183,390	32,931
Export shipments	28,484	16,107	13,696	3,618
Total shipments	288,827	233,290	197,086	36,549
	Unit value (*per ton*)			
Commercial shipments	$***	$***	$***	$***
Internal consumption	***	***	***	***
Transfers to related firms	([1])	***	([1])	([1])
U.S. shipments	500.26	483.80	475.76	476.45
Export shipments	493.74	490.29	496.21	448.66
Average	499.61	484.25	477.13	473.54

[1] Not applicable.

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

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventory data are presented in table III-3. Inventories increased during 2000-2002 by 12.1 percent, with increases during each year of the period.

Table III-3
Welded line pipe: U.S. producers' end-of-period (EOP) inventories, 2000-2002 and January-February 2003

Item	Calendar years			January-February
	2000	2001	2002	2003
EOP inventories (*short tons*)	71,053	76,154	79,655	71,510
Ratio to production (*percent*)	12.0	16.0	19.5	17.3
Ratio to U.S. shipments (*percent*)	13.7	17.0	20.7	17.2
Ratio to total shipments (*percent*)	12.3	15.8	19.3	15.4

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

U.S. EMPLOYMENT, HOURS, AND WAGES

Ten U.S. producers provided employment data on welded line pipe and these data are presented in table III-4. Employment and wages paid declined during 2000-2002 by 38.9 percent for employment and 33.9 percent for wages. The average hourly wage, however, did increase by 23.9 percent during this period.

Table III-4
Average number of production and related workers (PRWs) employed by U.S. producers of welded line pipe, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 2000-2002 and January-February 2003

Item	Calendar years			January-February
	2000	2001	2002	2003
PRWs (*number*)	1,025	656	626	442
Hours worked (*1,000*)	2,516	1,390	1,343	199
Wages paid (*$1,000*)	43,107	26,161	28,504	4,557
Hourly wages	$17.13	$18.82	$21.23	$22.93
Productivity (*tons per hour*)	199.5	293.4	258.3	297.9
Unit labor costs (*per ton*)	$86	$64	$82	$77

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

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

Ten U.S. producers provided financial information regarding their welded line pipe operations from 2000 through 2002.[2] Tex Tube, which reported a fiscal year ending September 30, was the only respondent to report its financial results on a non-calendar-year basis. For 2000, total line pipe sales volume and value are lower compared to the previous review and original investigation because several of the original respondents have not reported their financial results. The number of firms reporting is also lower because several of the original respondents have since merged.[3]

Operations on Welded Line Pipe

Financial results of welded line pipe operations are presented in table III-5 and on an average per-short-ton basis in table III-6. The period examined was characterized by a relatively sharp decline in sales volume and value in 2001 followed by a smaller relative decline in 2002. Several respondents reported minor period-to-period increases in sales volume and revenue.

As shown in table III-6, higher average unit cost of goods sold (COGS) in 2002 compared to 2000 was due to increases in average unit other factory costs, as well as higher average unit direct labor.[4] Average unit raw material costs declined in 2001 which helped to offset higher average unit other factory costs and direct labor. Average unit raw material costs increased somewhat in 2002, but were still lower than the level reported for 2000.

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[2] The financial results presented in this section of the report reflect the following companies: American, California, IPSCO, Lone Star, Maverick, Newport, Northwest, Stupp, Tex Tube, and U.S. Steel.

[3] ***.

[4] As shown on table III-5, other factory costs and direct labor on an absolute basis were lower at the end of the period examined compared to the beginning. Given the fixed and semi-fixed nature of a number of other factory costs, declining activity (capacity utilization) in line pipe and other areas of the respondents' operations would tend to result in higher average unit COGS.

Table III-5
Results of U.S. producers' operations on welded line pipe, fiscal years 2000-2002

Item	Fiscal year		
	2000	2001	2002
	Quantity (*short tons*)		
Total sales	566,868	458,288	390,758
	Value (*$1,000*)		
Total sales	280,622	219,359	184,916
Cost of goods sold:			
Raw material	171,423	128,704	112,982
Direct labor	30,491	25,460	24,750
Other factory costs	56,396	51,604	42,531
Total cost of goods sold	258,310	205,768	180,263
Gross profit or (loss)	22,312	13,591	4,653
SG&A expenses	12,657	10,516	9,502
Operating income or (loss)	9,655	3,075	(4,849)
Interest expense	6,123	4,177	3,995
Other expense	555	1,082	286
Other income items	195	40	115
Net income or (loss)	3,172	(2,144)	(9,015)
	Ratio to net sales (*percent*)		
Cost of goods sold	92.0	93.8	97.5
Gross profit or (loss)	8.0	6.2	2.5
SG&A expenses	4.5	4.8	5.1
Operating income or (loss)	3.4	1.4	(2.6)
Net income or (loss)	1.1	(1.0)	(4.9)
	Number of firms reporting		
Operating losses	4	7	8
Data	10	10	10

Note: ***.

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

Table III-6
Results of operations (per ton) of U.S. producers in the production of welded line pipe, fiscal years 2000-2002

Item	Fiscal year		
	2000	2001	2002
	Unit value (*per short ton*)		
Net sales	$495	$479	$473
Cost of sales			
Raw materials	302	281	289
Direct labor	54	56	63
Other factory costs	99	113	109
Total COGS	456	449	461
Gross profit or (loss)	39	30	12
SG&A expenses	22	23	24
Operating income or (loss)	17	7	(12)

Note: ***.

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

Capital Expenditures, Research and Development Expenses, and Investment in Productive Facilities

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment are shown in table III-7.

Table III-7
Capital expenditures, by firm, and the value of property, plant, and equipment of U.S. producers of welded line pipe, fiscal years 2000-2002

Item	Fiscal year		
	2000	2001	2002
	Value (*$1,000*)		
Research and development expenses	139	303	343
Capital expenditures	6,399	11,418	9,026
Fixed assets:			
Original cost	123,673	132,336	134,056
Book value	48,885	54,075	51,122

Note: ***.

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

COMMENTS BY PARTIES ON THE STATE OF THE DOMESTIC INDUSTRY AND THE EFFECTIVENESS OF THE 201 ACTION[5]

A number of domestic producers commented that due to "plummeting demand," production, capacity utilization, domestic and export shipments, employment indicators and profitability all fell significantly between 2000 and 2002."[6] Data on domestic production of all welded line pipe 16 inches in outside diameter or less is shown in the tabulation below:[7]

Item	Year		
	2000	2001	2002
Production (*short tons*)[1]	983,598	1,066,034	647,591

[1] Production may include welded line pipe 16 inches or less in outside diameter that was excluded from the product scope of the section 201 action. Quantities were derived by taking total domestic production and subtracting exports.

These producers attribute the decline in demand during 2000-2002 to ". . . outside financial difficulties of the end user pipeline companies, and not by internal pipeline market effects," (i.e., "the fallout of Enron and of several post-Enron scandals connected with energy trading"). According to domestic producers, "pipeline companies were saddled with debts from capital expansion and diversification in the late 1990s. This changed business environment has altered the pipeline companies' growth strategies away from pipeline network expansion, reducing the demand for line pipe. The industry is likely going to have to hunker down for an extended period of poor demand until the balance sheets of pipeline companies improve, the economy improves creating additional demand for pipelines, and the pipeline companies significantly reinvest in maintenance and repair work."[8] Nevertheless, the producers believe that the section 201 relief was effective because, ". . . no one could have forecast the meltdown that occurred in the pipeline industry that was precipitated by the collapse of Enron, one of the largest gas pipeline operators in the United States. Without the benefits of 201 relief, the industry which suffered serious injury by reason of the import surge that occurred between 1996 and 1999, would have been decimated by the decline in demand which occurred in 2002 and has continued into 2003."[9]

German producer Mannesmann Line Pipe GmbH noted that although the Commission found that high frequency induction (HFI) line pipe of a size between 6 and 16 inches in OD was not made in the United States, HFI line pipe was subject to import relief even though the domestic industry did not produce this type of pipe either before or during the period of relief.[10]

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[5] Comments were received from domestic producers IPSCO, Lone Star, Maverick, Northwest, and Stupp, and from German producer Mannesmann Line Pipe GmbH.

[6] Posthearing brief of IPSCO, Lone Star, Maverick, Northwest, and Stupp, p. 3.

[7] E-mail correspondance with LaSondra O'Farrell, Preston Publishing Co. (publishers of the Preston Pipe & Tube Report), July 15, 2003.

[8] Posthearing brief of IPSCO, Lone Star, Maverick, Northwest, and Stupp, pp. 6 and 9.

[9] Id., p. 3.

[10] Comments submitted by Mannesmann Line Pipe GmbH, dated July 2, 2003, p. 2.

PART IV: DOMESTIC INDUSTRY ADJUSTMENT EFFORTS

During the section 201 investigation, U.S. welded line pipe producers submitted adjustment plans that they believed would make the industry more competitive with imports at the end of a remedy period.

The industry indicated it would modernize equipment further to produce welded line pipe more effectively, develop new specialized products that will significantly enhance competitiveness, and use stronger, lighter steels enabling the producers to make to pipes that move the same amount of gas using less steel.[1]

U.S. producers were asked in the questionnaire in this investigation whether they had undertaken any efforts to compete more effectively in the U.S. market since the additional tariff was implemented (i.e., since March 1, 2000). Table IV-1 presents a summary of responses from firms on the efforts they have taken. ***, in its questionnaire response, said that it had not undertaken any efforts to compete more effectively since March 1, 2000.

Table IV-1
Welded line pipe: Efforts by U.S. producers to compete more effectively in the U.S. market for welded line pipe since March 1, 2000

* * * * * * *

[1] *Line Pipe*, p. II-69.

PART V: PRICING AND RELATED INFORMATION

The Commission requested quarterly data for the total quantity and f.o.b. value of one line pipe product. Data were requested for the period January 2000 through March 2003. The product for which pricing data were requested is as follows:

API 5L B welded pipe, 12 inch nominal size (12.75 inch outside diameter), plain end with wall thickness of 0.375 inch.

Seven U.S. producers[1] provided usable pricing data for sales of the requested product in the U.S. market, although not all firms provided data for all quarters. The reported price data accounted for *** percent of the quantity of domestically-produced commercial shipments of line pipe in 2002. Data on reported weighted-average prices and quantities for the requested product are presented in table V-1 and figure V-1.

Weighted-average prices for the requested U.S.-produced welded line pipe product increased irregularly from January-March 2000 to January-March 2003, rising 34.3 percent during that time.

Table V-1
Line pipe: Weighted-average f.o.b. selling prices and quantities for U.S.-produced product, by quarters, January 2000-March 2003

* * * * * * *

Figure V-1
Line pipe: Weighted-average f.o.b. prices for requested product, as reported by U.S. producers, by quarters, January 2000-March 2003

* * * * * * *

[1] ***.

APPENDIX A

PRESIDENTIAL DOCUMENTS

Letter to Congressional Leaders on Action Concerning Line Pipe Imports

February 18, 2000

Dear Mr. Speaker: (Dear Mr. President:)

I am pleased to provide to the Congress documents called for by section 203(b) of the Trade Act of 1974, as amended, pertaining to the safeguard action that I proclaimed today on imports of line pipe.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. This item was not received in time for publication in the appropriate issue.

Federal Register

Wednesday,
February 23, 2000

Part VIII

The President

Proclamation 7274—To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe

Memorandum of February 18, 2000—Action Under Section 203 of the Trade Act of 1974 Concerning Line Pipe

Federal Register
Vol. 65, No. 36
Wednesday, February 23, 2000

Presidential Documents

Title 3—

Proclamation 7274 of February 18, 2000

To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe

By the President of the United States of America

A Proclamation

1. On December 22, 1999, the United States International Trade Commission (USITC) transmitted to the President an affirmative determination in its investigation under section 202 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of certain circular welded carbon quality line pipe (line pipe) provided for in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). The USITC determined that line pipe is being imported in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the domestic industry producing a like or directly competitive article.

2. Pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") (19 U.S.C. 3371(a)), the USITC made negative findings with respect to imports of line pipe from Mexico and Canada. The USITC also transmitted to the President its recommendations made pursuant to section 202(e) of the Trade Act (19 U.S.C. 2252(e)) with respect to the action that would address the serious injury or threat thereof to the domestic industry and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

3. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act, I have determined to implement action of a type described in section 203(a)(3). Pursuant to section 312(a) of the NAFTA Implementation Act (19 U.S.C. 3372(a)), I have determined that imports of line pipe from Mexico, considered individually, do not contribute importantly to the serious injury, or threat of serious injury, found by the USITC, and that imports from Canada, considered individually, do not contribute importantly to such injury or threat. Accordingly, pursuant to section 312(b) of the NAFTA Implementation Act (19 U.S.C. 3372(b)), I have excluded line pipe the product of Mexico or Canada from the action I am taking under section 203 of the Trade Act.

4. Such action shall take the form of an increase in duty on imports of certain line pipe provided for in HTS subheadings 7306.10.10 and 7306.10.50, imposed for a period of 3 years plus 1 day, with the first 9,000 short tons of imports that are the product of each supplying country excluded from the increased duty during each year that this action is in effect, and with annual reductions in the rate of duty in the second and third years, as provided for in the Annex to this proclamation.

5. Except for products of Mexico and Canada, which shall be excluded from this action, the increase in duty shall apply to imports of line pipe from all countries. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have further determined that this action will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs.

6. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to sections 203 and 604 of the Trade Act, do proclaim that:

(1) In order to establish an increase in duty on imports of certain line pipe classified in HTS subheadings 7306.10.10 and 7306.10.50, subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation.

(2) Such imported line pipe that is the product of Mexico or of Canada shall not be subject to the increase in duty established by this proclamation.

(3) I hereby suspend, pursuant to section 503(c)(1) of the Trade Act (19 U.S.C. 2463(c)(1)), duty-free treatment for line pipe the product of beneficiary countries under the Generalized System of Preferences (GSP) (Title V of the Trade Act, as amended (19 U.S.C. 2461–2467)); pursuant to section 213(e)(1) of the Caribbean Basin Economic Recovery Act, as amended (CBERA) (19 U.S.C. 2703(e)(1)), duty-free treatment for line pipe the product of beneficiary countries under that Act (19 U.S.C. 2701–2707); pursuant to section 204(d)(1) of the Andean Trade Preference Act, as amended (ATPA) (19 U.S.C. 3203(d)(1)), duty-free treatment for line pipe the product of beneficiary countries under that Act (19 U.S.C. 3201–3206); and pursuant to section 403(a) of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note), duty-free treatment for line pipe the product of Israel under the United States-Israel Free Trade Area Implementation Act of 1985 (the "IFTA Act") (19 U.S.C. 2112 note), to the extent necessary to apply the increase in duty to those products, as specified in the Annex to this proclamation.

(4) Effective at the close of March 1, 2003, or at the close of the date that may earlier be proclaimed by the President as the termination of the import relief set forth in the Annex to this proclamation, the suspension of duty-free treatment under the GSP, the CBERA, the ATPA, and the IFTA Act shall terminate, unless otherwise provided in such later proclamation, and qualifying goods the product of beneficiary countries or of Israel entered under such programs shall again be eligible for duty-free treatment.

(5) Effective at the close of March 1, 2004, or such other date that is 1 year from the close of this relief, the U.S. note and tariff provisions established in the Annex to this proclamation shall be deleted from the HTS.

(6) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(7) The modifications to the HTS made by this proclamation, including the Annex hereto, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, and shall continue in effect as provided in the Annex to this proclamation, unless such actions are earlier expressly modified or terminated.

IN WITNESS WHEREOF, I have hereunto set my hand this eighteenth day of February, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fourth.

William J. Clinton

Billing code 3195–01–P

ANNEX

MODIFICATIONS TO THE HARMONIZED
TARIFF SCHEDULE OF THE UNITED STATES

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by inserting in numerical sequence the following new U.S. note, subheadings and superior text thereto, with the language inserted in the columns entitled "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively.

"10. For purposes of subheadings 9903.72.20 through 9903.72.25, inclusive, except as provided in this note, the term "line pipe" shall include (notwithstanding the provisions of other legal notes to the tariff schedule) welded "carbon quality" line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stencilled, except as provided below. The term "carbon quality" applies to products in which (i) iron predominates, by weight, over each of the other contained elements, (ii) the carbon content is 2 percent or less, by weight, and (iii) none of the elements listed below exceeds the quantity by weight, respectively indicated:

– 1.80 percent or more of manganese, or

– 2.25 percent of silicon, or

– 1.00 percent of copper, or

– 0.50 percent or less of aluminum, or

– 1.25 percent of chromium, or

– 0.30 percent of cobalt, or

– 0.40 percent of lead, or

– 1.25 percent of nickel, or

– 0.30 percent of tungsten, or

– 0.10 percent of molybdenum, or

– 0.10 percent of niobium, or

– 0.15 percent of vanadium, or

– 0.15 percent of zirconium.

The term "line pipe" does not include goods commonly described in commercial usage as arctic grade line pipe and defined as welded line pipe that–

(a) has an outside diameter of 114.3 mm or more and a wall thickness equal to or less than 19.05 mm;

(b) when subjected to a Charpy V-notch test performed at minus 45.6 degrees Celsius or below applied to three specimens taken from the weld area, has a joules rating of no less than 23.05 joules for each sample, with an average for all three at no less than 25.76 joules;

(c) using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and

(d) when subjected to a hydrogen induced cracking test to be performed as provided by National Association of Corrosion Engineers (NACE) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent."

"	Welded line pipe of a kind used for oil or gas pipelines, of iron or steel, as defined in note 10 to this subchapter (provided for in subheadings 7306.10.10 and 7306.10.50), all the foregoing except products of Canada or of Mexico:			
	If entered during the period from March 1, 2000, through February 28, 2001, inclusive:			
9903.72.20	In aggregate quantities from each supplying country not in excess of 8,164,663 kg, the foregoing the product of such country	No change	No change	No change
9903.72.21	Other	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7306.10.10 or 7306.10.50)		The rate provided in the Rates of Duty 2 column for the applicable subheading (7306.10.10 or 7306.10.50) + 29%

		+ 19%		
	[Welded...(con.):]			
	If entered during the period from March 1, 2001, through February 28, 2002, inclusive:			
9903.72.22	In aggregate quantities from each supplying country not in excess of 8,164,663 kg, the foregoing the product of such country	No change	No change	No change
9903.72.23	Other	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7306.10.10 or 7306.10.50) + 15%		The rate provided in the Rates of Duty 2 column for the applicable subheading (7306.10.10 or 7306.10.50) + 25%
	If entered during the period from March 1, 2002, through March 1, 2003, inclusive:			
9903.72.24	In aggregate quantities from each supplying country not in excess of 8,164,663 kg, the foregoing the product of such country	No change	No change	No change
9903.72.25	Other	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7306.10.10 or 7306.10.50) + 11%		The rate provided in the Rates of Duty 2 column for the applicable subheading (7306.10.10 or 7306.10.50) + 21%"

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Federal Register

Friday,
August 30, 2002

Part X

The President

Proclamation 7585—To Implement an Agreement Regarding Imports of Line Pipe Under Section 203 of the Trade Act of 1974

Federal Register
Vol. 67, No. 169
Friday, August 30, 2002

Presidential Documents

Title 3—

The President

Proclamation 7585 of August 28, 2002

To Implement an Agreement Regarding Imports of Line Pipe Under Section 203 of the Trade Act of 1974

By the President of the United States of America

A Proclamation

1. On February 18, 2000, pursuant to section 203 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2253), the President issued Proclamation 7274, which imposed additional duties on certain circular welded carbon quality line pipe (line pipe) provided for in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS) (safeguard measure) for a period of 3 years plus 1 day, with the first 9000 short tons of imports that are the product of each supplying country excluded from the increased duty during each year, and with annual reductions in the rate of duty in the second and third years.

2. Section 203(a)(3)(E) of the Trade Act (19 U.S.C. 2253(a)(3)(E)) authorizes the President to negotiate, conclude, and carry out agreements with foreign countries limiting the export from foreign countries and the import into the United States of an imported article with regard to which the U.S. International Trade Commission has made an affirmative finding regarding serious injury, or the threat thereof. Section 203(f)(1) of the Trade Act (19 U.S.C. 2253(f)(1)) authorizes the President, if action under section 203 takes effect with regard to an imported article, to negotiate agreements of the type described in subsection (a)(3)(E) and, after such agreements take effect, suspend or terminate, in whole or in part, any action previously taken.

3. The United States Trade Representative, pursuant to sections 141(c)(1)(C) and 203(f)(1) of the Trade Act (19 U.S.C. 2171(c)(1)(C) and 2253(f)(1)), negotiated an agreement with the Republic of Korea (Agreement) limiting the export from Korea and import into the United States of line pipe through the imposition of a tariff-rate quota, to take effect on September 1, 2002. The agreement was signed on July 29, 2002.

4. Pursuant to sections 203(a)(3)(E) and 203(f) of the Trade Act (19 U.S.C. 2253(a)(3)(E) and 2253(f)), I am replacing the additional duties and 9000 short ton exclusion applicable to imports of line pipe from Korea with a tariff-rate quota, on a quarterly basis, to take effect beginning on September 1, 2002.

5. Section 604 of the Trade Act (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

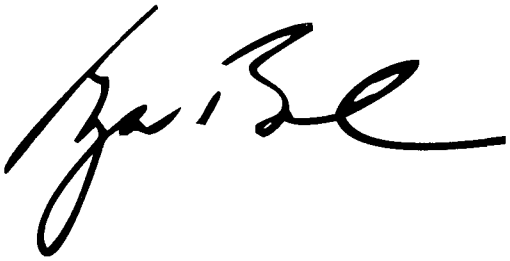
NOW, THEREFORE, I, GEORGE W. BUSH, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to sections 203 and 604 of the Trade Act, do proclaim that:

(1) In order to establish a tariff-rate quota to carry out the Agreement, subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation.

(2) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of the inconsistency.

(3) The modifications to the HTS made by this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time, on September 1, 2002, and shall continue in effect as provided in subchapter III of chapter 99 of the HTS, unless such actions are earlier expressly modified or terminated. Effective at the close of March 1, 2004, or such other date that is 1 year from the close of the safeguard measure, the modifications to the HTS established in this proclamation and by Proclamation 7274 shall be deleted from the HTS.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-eighth day of August, in the year of our Lord two thousand two, and of the Independence of the United States of America the two hundred and twenty-seventh.



Billing code 3195–01–P

ANNEX

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after September 1, 2002, and prior to the close of March 1, 2003, the Harmonized Tariff Schedule of the United States (HTS) is modified as set forth herein, with the material in the new tariff provisions being inserted in the columns labeled "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively.

1. The superior text to subheadings 9903.72.20 through 9903.72.25 is modified by deleting "of Canada or of Mexico" and by inserting in lieu thereof "of Canada, of Mexico or of any country enumerated in note 10 to this subchapter".

2. Subheadings 9903.72.24 and 9903.72.25 are deleted and the following new material is inserted in lieu thereof:

	[Welded...:]			
	[If...:]			
	"Articles the product of Korea:			
9903.73.24	If entered during the period March 1, 2002, through August 31, 2002, in an aggregate quantity not in excess of 8,164,663 kg, after which no such goods the product of such country may be entered during the remainder of such period under this subheading.....	No change	No change	No change
9903.73.25	If entered during the period September 1, 2002, through November 30, 2002, inclusive, in an aggregate quantity not in excess of 31,751,733 kg, after which no such goods the product of such country may be entered during the remainder of such period under this subheading.....	No change	No change	No change
9903.73.26	If entered during the period December 1, 2002, through March 1, 2003, inclusive, in an aggregate quantity not in excess of 31,751,733 kg plus any remaining quantity from the quantity specified in subheading 9903.73.25 after the total quantities entered under such subheading are subtracted therefrom, after which no such goods the product of such country may be entered during the remainder of such period under this subheading.....	No change	No change	No change
9903.73.27	Other.....	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7306.10.10 or 7306.10.50) + 11%		No change

	[Welded...]			
	[If...]			
	Other:			
9903.73.28	In aggregate quantities from each other supplying country not in excess of 8,164,663 kg, the foregoing the product of such country	No change	No change	No change
9903.73.29	Other	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7306.10.10 or 7306.10.50) + 11%		The rate provided in Rates of Duty 2 column for the applicable subheading (7306.10.10 or 7306.10.50) + 21%"

[FR Doc. 02–22502
Filed 8–29–02; 11:34 am]
Billing code 3190–01–C

APPENDIX B

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA-201-70]

Circular Welded Carbon Quality Line Pipe

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of an investigation under section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act).

SUMMARY: Following receipt of a petition filed on June 30, 1999, as amended on July 2, 1999, on behalf of Geneva Steel, IPSCO Tubulars, Inc., Lone Star Steel Company, Maverick Tube Corporation, Newport Steel, Northwest Pipe Company, Stupp Corporation, and the United Steelworkers of America, AFL-CIO, the Commission instituted investigation No. TA-201-70 under section 202 of the Act to determine whether welded carbon quality [1] line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stencilled, is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. Such line pipe is classified in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States.

For further information concerning the conduct of this investigation, hearing procedures, and rules of general application, consult the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 206, subparts A and B (19 CFR part 206).

EFFECTIVE DATE: June 30, 1999.

FOR FURTHER INFORMATION CONTACT: Valerie Newkirk (202-205-3190), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov or ftp://ftp.usitc.gov).

SUPPLEMENTARY INFORMATION:

Participation in the Investigation and Service List

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, not later than 21 days after publication of this notice in the **Federal Register**. The Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited Disclosure of Confidential Business Information (CBI) Under an Administrative Protective Order (APO) and CBI Service List

Pursuant to section 206.17 of the Commission's rules, the Secretary will make CBI gathered in this investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than 21 days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive CBI under the APO.

Hearings on Injury and Remedy

The Commission has scheduled separate hearings in connection with the

[1] For purposes of this investigation, carbon quality is defined to mean: products 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 listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or
2.25 percent of silicon, or
1.00 percent of copper, or
0.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
1.25 percent of nickel, or
0.30 percent of tungsten, or
0.10 percent of molybdenum, or
0.10 percent of niobium, or
0.15 percent of vanadium, or
0.15 percent of zirconium

injury and remedy phases of this investigation. The hearing on injury will be held beginning at 9:30 a.m. on September 30, 1999, at the U.S. International Trade Commission Building. In the event that the Commission makes an affirmative injury determination or is equally divided on the question of injury in this investigation, a hearing on the question of remedy will be held beginning at 9:30 a.m. on November 10, 1999. Requests to appear at the hearings should be filed in writing with the Secretary to the Commission on or before September 23, 1999, and November 3, 1999, respectively. All persons desiring to appear at the hearings and make oral presentations should attend prehearing conferences to be held at 9:30 a.m. on September 27, 1999 and November 5, 1999, respectively, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the hearing are governed by §§ 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs on injury is September 24, 1999; that for filing prehearing briefs on remedy, including any commitments pursuant to 19 U.S.C. 2252(a)(6)(B), is November 3, 1999. Parties may also file posthearing briefs. The deadline for filing posthearing briefs on injury is October 6, 1999; that for filing posthearing briefs on remedy is November 17, 1999. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the consideration of injury on or before October 6, 1999, and pertinent to the consideration of remedy on or before November 17, 1999. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain CBI must also conform with the requirements of section 201.6 of the Commission's rules.

In accordance with § 201.16(c) of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or CBI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under the authority of section 202 of the Trade Act of 1974; this notice is published pursuant to § 206.3 of the Commission's rules.

Issued: July 29, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-20045 Filed 8-3-99; 8:45 am]

BILLING CODE 7020-02-P

Fahrenheit or below applied to three specimens taken from the well area, has a ft-lbs rating of no less than 17 ft-lbs for each sample, with an average for all three at no less than 19 ft-lbs; and (3) Using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and (4) When subjected to a hydrogen induced cracking test to be performed as per NACE (National Association of Corrosion Engineers) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent.

The Commission action amending the scope was taken prior to the vote in the injury phase of the investigation, which also occurred on October 28, 1999. Accordingly, imports of such line pipe were not part of the Commission's affirmative injury determination made later that day.[1] Notice of institution of the investigation was published in the **Federal Register** of August 4, 1999 (64 F.R. 42414).

EFFECTIVE DATE: October 28, 1999.

FOR FURTHER INFORMATION CONTACT: Valerie Newkirk (202-205-3190), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

Issued: November 2, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-29209 Filed 11-5-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

Investigation No. TA-201-70

Circular Welded Carbon Quality Line Pipe

AGENCY: United States International Trade Commission.

ACTION: Amendment of scope of the investigation to exclude certain merchandise described as arctic-grade line pipe.

SUMMARY: On October 28, 1999, the Commission, at the request of petitioners in the investigation, amended the scope of investigation No. TA-201-70, Circular Welded Carbon Quality Line Pipe, to remove from the scope of investigation certain merchandise described as arctic-grade line pipe, defined as follows—

welded line pipe that (1) Has an outer diameter of 4.5 inches or more and a wall thickness equal to or less than 0.75 inches; and (2) When subjected to a Charpy V-notch test performed at minus 50 degrees

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–201–70]

Circular Welded Carbon Quality Line Pipe

Determination

On the basis of the information in the investigation, the Commission—(1) Determines, pursuant to section 202(b) of the Trade Act of 1974, that circular welded carbon quality line pipe (hereinafter line pipe) [1] is being imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury [2] to the domestic industry producing an article like or directly competitive with the imported article; and (2) makes negative findings, pursuant to section 311(a) of the North American Free-Trade Agreement (NAFTA) Implementation Act (19 U.S.C. 3371(a)), with respect to imports of line pipe from Canada and Mexico.[3]

Recommendations with Respect to Remedy[4]

The Commission[5] *(Vice Chairman Miller and Commissioners Hillman and Koplan) recommends:*

(1) That the President impose a tariff-rate quota for a 4-year period on imports of line pipe, with the in-quota amount set at 151,124 short tons in the first year, and with that amount to be increased by

[1] See USTR **Federal Register** notice of December 23, 1999 (64 F.R. 246) for article description.

[2] The petitioner also requests a waiver of the competitive need limits specified in section 503(c)(2)(A) of the 1974 Act for Brazil on the articles provided for in subheading 7202.99.10.

[1] The imported article covered by this investigation is welded carbon quality line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stencilled. For purposes of this investigation, "carbon quality" is defined to mean: products 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 listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent of vanadium, or 0.15 percent of zirconium.

Such line pipe is currently classified in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). Although the HTS categories are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive. The investigation excludes certain merchandise described as arctic grade line pipe, defined as welded line pipe that (1) has an outer diameter of 4.5 inches or more and a wall thickness equal to or less than 0.75 inches; and (2) when subjected to a Charpy V-notch test performed at minus 50 degrees Fahrenheit or below applied to three specimens taken from the well area, has a ft-lbs rating of no less than 17 ft-lbs for each sample, with an average for all three at no less than 19 ft-lbs; and (3) using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and (4) when subjected to a hydrogen induced cracking test to be performed as per NACE (National Association of Corrosion Engineers) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent.

[2] Vice Chairman Marcia E. Miller and Commissioners Jennifer A. Hillman and Stephen Koplan found serious injury. Chairman Lynn M. Bragg and Commissioner Thelma J. Askey found a threat of serious injury. Commissioner Carol T. Crawford made a negative determination.

[3] Chairman Bragg dissenting with respect to Mexico. Chairman Bragg finds that imports of welded line pipe from Mexico account for a substantial share of total imports and contribute importantly to the threat of serious injury to the domestic industry.

[4] Commissioner Crawford, having made a negative determination on injury, was not eligible to vote on remedy. In light of her negative determination, Commissioner Crawford does not believe any import relief is appropriate in this investigation.

[5] The Commission notes that, pursuant to section 330(d)(2) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(2)), the remedy recommendation of Vice Chairman Miller and Commissioners Hillman and Koplan in this investigation is to be treated as the remedy finding of the Commission for purposes of section 203 of the Trade Act.

10 percent in each of the second, third, and fourth years, with over-quota imports to be subject to a duty of 30 percent ad valorem in addition to current U.S. tariffs;

(2) That the President, if he determines to allocate the overall quota, recognize the disproportionate growth and impact of the imports from Korea;

(3) That the President initiate international negotiations with Korea to address the underlying cause of the import surge and the serious injury to the domestic industry;

(4) Having made negative findings with respect to imports of line pipe from Canada and Mexico under section 311(a) of the NAFTA Implementation Act, that such imports be excluded from the tariff-rate quota; and

(5) That the tariff-rate quota not apply to imports of line pipe from Israel, or to any imports of line pipe entered duty-free from beneficiary countries under the Caribbean Basin Economic Recovery Act or the Andean Trade Preference Act.

Chairman Bragg and Commissioner Askey recommend:

(1) That the President impose a duty, in addition to the current rate of duty, for a 4-year period, on imports of line pipe that are within the scope of this investigation as follows: 12.5 percent ad valorem in the first year of relief, 11 percent ad valorem in the second year of relief, 9.5 percent ad valorem in the third year of relief, and 8 percent ad valorem in the fourth year of relief;

(2) That the increased rates of duty not apply to imports of line pipe from Canada, Israel, or to any imports of line pipe that entered duty-free from beneficiary countries under the Caribbean Basin Economic Recovery Act or the Andean Trade Preference Act;

(3) Commissioner Askey, having made a negative finding with respect to imports of line pipe from Mexico under section 311(a) of the NAFTA Implementation Act, recommends that such imports from Mexico be excluded from the increased duty. Chairman Bragg, having made an affirmative finding under section 311(a) of the NAFTA Implementation Act, recommends that imports of line pipe from Mexico be subject to the duty increase.

The Commissioners find that the respective actions that they have recommended will address the serious injury or threat of serious injury found to exist and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

Background

Following receipt of a petition properly filed on June 30, 1999, by counsel on behalf of Geneva Steel, Vineyard, UT; IPSCO Tubulars, Inc., Camanche, IA; Lone Star Steel Company, Dallas, TX; LTV Steel Tubular Products Company, Youngstown, OH;[6] Maverick Tube Corporation, Chesterfield, MO; Newport Steel, Newport, KY; Northwest Pipe Company, Portland, OR; Stupp Corporation, Baton Rouge, LA; and the United Steelworkers of America, AFL-CIO, Pittsburgh, PA, the Commission instituted investigation No. TA-201-70, Circular Welded Carbon Quality Line Pipe, under section 202 of the Trade Act of 1974 to determine whether circular welded carbon quality line pipe is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Notice of the institution of the Commission's investigation and of the scheduling of public hearings to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** of August 4, 1999 (64 FR 42414). The hearing in connection with the injury phase of the investigation was held on September 30, 1999, and the hearing on the question of remedy was held on November 10, 1999. Both hearings were held in Washington, DC; all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in this investigation to the President on December 22, 1999. The views of the Commission are contained in USITC Publication 3261 (December 1999), entitled Circular Welded Carbon Quality Line Pipe: Investigation No. TA-201-70.

Issued: December 23, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-33902 Filed 12-29-99; 8:45 am]

BILLING CODE 7020-02-U

[6] Petitioners amended the petition on Sept. 14, 1999, to include LTV Steel.

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–204–5]

Certain Circular Welded Carbon Quality Line Pipe: Monitoring Developments in the Domestic Industry

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of an investigation under section 204(a) of the Trade Act of 1974 (19 U.S.C. 2254(a)) (the Act).

SUMMARY: The Commission instituted the investigation for the purpose of preparing the report to the President and the Congress required by section 204(a)(2) of the Trade Act of 1974 on the results of its monitoring of developments with respect to the domestic certain circular welded carbon quality line pipe industry since the President imposed a tariff on imports of certain circular welded carbon quality line pipe [1] effective March 1, 2000.

For further information concerning the conduct of this investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 206, subparts A and F (19 CFR part 206).

EFFECTIVE DATE: March 15, 2001.

FOR FURTHER INFORMATION CONTACT: Diane J. Mazur (202–205–3184), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at http://dockets.usitc.gov/eol/public.

[1] Includes welded carbon quality line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stenciled, and not more than 16 inches (406.4 mm) in outside diameter. This investigation excludes goods commonly described in commercial usage as arctic grade line pipe. The products are classified in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States. For a detailed description of the subject merchandise, *see* the annex to Presidential Proclamation 7274 (65 FR 9195, February 23, 2000).

SUPPLEMENTARY INFORMATION:

Background.—Following receipt of a report from the Commission in December 1999 under section 202 of the Trade Act of 1974 (19 U.S.C. 2252) containing an affirmative determination and remedy recommendations, the President, on February 18, 2000, pursuant to section 203 of the Trade Act of 1974 (19 U.S.C. 2253), issued Proclamation 7274, imposing import relief in the form of a tariff on imports of circular welded carbon quality line pipe for a period of 3 years and 1 day, effective March 1, 2000. Section 204(a)(1) of the Trade Act of 1974 (19 U.S.C. 2254(a)(1)) requires that the Commission, so long as any action under section 203 of the Trade Act remains in effect, monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition. Section 204(a)(2) requires, whenever the initial period of an action under section 203 of the Trade Act exceeds 3 years, that the Commission submit a report on the results of the monitoring under section 204(a)(1) to the President and the Congress not later than the mid-point of the initial period of the relief, or by August 30, 2001, in this case. Section 204(a)(3) requires that the Commission hold a hearing in the course of preparing each such report.

Participation in the investigation and service list.—Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, not later than 14 days after publication of this notice in the **Federal Register**. The Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Public hearing.—As required by statute, the Commission has scheduled a hearing in connection with this investigation. The hearing will be held beginning at 9:30 a.m. on June 28, 2001, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before June 20, 2001. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on June 25, 2001, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the hearing are governed by sections 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is June 22, 2001. Parties may also file posthearing briefs. The deadline for filing posthearing briefs is July 6, 2001. In addition, any person who has not entered an appearance as a party to the investigation may submit, on or before July 6, 2001, a written statement concerning the matters to be addressed in the Commission's report to the President. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's rules. The Commission's rules do not authorize the filing of submissions with the Secretary by facsimile or electronic means.

In accordance with section 201.16(c) of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under the authority of section 204(a) of the Trade Act of 1974; this notice is published pursuant to section 206.3 of the Commission's rules.

Issued: March 16, 2001.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 01–7123 Filed 3–21–01; 8:45 am]

BILLING CODE 7020–02–P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Technical Corrections to the Harmonized Tariff Schedule of the United States

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: The United States Trade Representative (USTR) is making technical corrections to subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States (HTS) as set forth in the annex to this notice, pursuant to authority delegated to the USTR in Presidential Proclamation 6969 of January 27, 1997 (62 FR 4415). These modifications correct inadvertent errors in the Annex to Presidential Proclamation 7585 of August 28, 2002 (67 FR 56207) so that the intended tariff treatment is provided.

EFFECTIVE DATE: The corrections made in this notice are effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after September 1, 2002.

FOR FURTHER INFORMATION CONTACT: Office of Industry, Office of the United States Trade Representative, 600 17th Street, NW., Room 501, Washington DC, 20508. Telephone (202) 395–5656.

SUPPLEMENTARY INFORMATION: On February 18, 2000, pursuant to section 203 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2253), the President issued Proclamation 7274, which imposed additional duties on certain circular welded carbon quality line pipe ("line pipe") provided for in subheadings 7306.10.10 and 7306.10.50 of the HTS. On July 29, 2002, the United States Trade Representative ("USTR") negotiated an agreement with the Republic of Korea limiting the export from Korea and import into the United States of line pipe through the implementation of a tariff-rate quota, to take effect on September 1, 2002. Proclamation 7585 of August 28, 2002, revised the additional duties on line pipe from Korea, replacing them with a tariff-rate quota in the terms provided for under the agreement with Korea. Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after September 1, 2002, and prior to the close of March 1, 2003, Proclamation 7585 modified subchapter III of chapter 99 of the HTS so as to provide for such tariff-rate quota.

Technical errors introduced through the annex to Proclamation 7585 have come to the attention of USTR. The annex to this notice makes technical corrections to the HTS to remedy these errors. In particular, the annex to this notice corrects errors in the tariff subheadings created by the Annex to Proclamation 7585 and the amount of the tariff-rate quota.

Proclamation 6969 authorized the USTR to exercise the authority provided to the President under section 604 of the Trade Act of 1974 (19 U.S.C. 2483) to embody rectifications, technical or conforming changes, or similar modifications in the HTS. Under authority vested in the USTR by Proclamation 6969, the rectifications, technical and conforming changes, and similar modifications set forth in the annex to this notice shall be embodied in the HTS with respect to goods entered, or withdrawn from warehouse for consumption, on or after the date set forth in each item in the Annex to this notice.

Robert B. Zoellick,

United States Trade Representative.

Annex

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on September 1, 2002, and prior to the close of March 1, 2003, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified as follows:

1. The insertion in the superior text to subheadings 9903.72.20 through 9903.72.25 made by item 1 of the annex to Presidential Proclamation 7585 of August 28, 2002 (67 Fed. Reg. 56207) should have read "of Canada or of Mexico", and the HTS is therefore modified accordingly.

2. Subheadings 9903.73.24, 9903.73.25, 9903.73.26, 9903.73.27, 9903.73.28 and 9903.73.29, as added to the HTS by item 2 of the annex to that Proclamation, are redesignated as subheadings 9903.72.24, 9903.72.25, 9903.72.26, 9903.72.27, 9903.72.28 and 9903.72.29, respectively.

3. Subheadings 9903.72.25 and 9903.72.26 (as redesignated by item 2 of this annex) are each modified by deleting "31,751,733 kg" and by inserting "15,875,895 kg" in lieu thereof.

[FR Doc. 02–25088 Filed 10–2–02; 8:45 am]

BILLING CODE 3190–01–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–204–10]

Certain Circular Welded Carbon Quality Line Pipe:[1] Evaluation of the Effectiveness of Import Relief

AGENCY: International Trade Commission.

ACTION: Institution of an investigation and scheduling of a hearing under section 204(d) of the Trade Act of 1974 (19 U.S.C. 2254(d)) (the Act).

SUMMARY: Pursuant to section 204(d) of the Act, the Commission has instituted investigation No. TA–204–10, Certain Circular Welded Carbon Quality Line Pipe: Evaluation of the Effectiveness of Import Relief, for the purpose evaluating the effectiveness of the relief action imposed by the President on imports of certain circular welded carbon quality line pipe under section 203 of the Act, which terminated on March 1, 2003.

Background

The President imposed the relief action on March 1, 2000, in the form of a tariff following receipt of an affirmative injury determination and relief recommendation from the Commission in December 1999. The relief was imposed for a period of 3 years and 1 day. *See* Proclamation 7274 of February 18, 2000 (65 FR 9193), as modified by Proclamation 7585 of August 28, 2002 (67 FR 56207). Section 204(d) of the Act requires the Commission, following termination of a relief action, to evaluate the effectiveness of the action in facilitating positive adjustment by the domestic industry to import competition, consistent with the reasons set out by the President in the report submitted to the Congress under section 203(b) of the Act. The Commission is required to submit a report on the evaluation to the President and the Congress no later than 180 days after the day on which the relief action terminated.

[1] Certain circular welded carbon quality line pipe is provided for in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS).

For further information concerning the conduct of this investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201, subparts A through and E), and part 206, subparts A and F (19 CFR part 206, subparts A and F).

EFFECTIVE DATE: April 11, 2003.

FOR FURTHER INFORMATION CONTACT: Karen Taylor (202–708–4101) or Jim McClure (202–205–3191), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at *http://dockets.usitc.gov/eol/public*.

SUPPLEMENTARY INFORMATION:

Participation in the investigation and service list.—Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, not later than 14 days after publication of this notice in the **Federal Register**. The Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Public hearing.—As required by statute, the Commission has scheduled a hearing in connection with this investigation. The hearing will be held beginning at 9:30 a.m. on June 25, 2003, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before June 18, 2003. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on June 23, 2003, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the hearing are governed by sections 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is June 18, 2003. Parties may also file posthearing briefs. The deadline for filing posthearing briefs is July 2, 2003. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement concerning the matters to be addressed in the report on or before July 2, 2003. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's rules. The report that the Commission sends to the President may include confidential business information. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002).

In accordance with section 201.16(c) of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under the authority of section 204(d) of the Trade Act of 1974; this notice is published pursuant to section 206.3 of the Commission's rules.

By order of the Commission.

Issued: April 15, 2003.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 03–9684 Filed 4–18–03; 8:45 am]

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APPENDIX C

SUMMARY TABLE

Table C-1
Welded line pipe: Summary data concerning the U.S. market, 2000-2002 and January-February 2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data				Period changes		
Item	2000	2001	2002	Jan.-Feb. 2003	2000-2002	2000-2001	2001-2002
U.S. consumption quantity:							
Amount	***	588,912	585,618	102,050	***	***	-0.6
Producers' share (1)	***	76.2	65.8	67.7	***	***	-10.4
Importers' share (1):							
China	***	0.4	3.1	5.8	***	***	2.6
Germany	***	0.0	0.3	0.0	***	***	0.3
Japan	***	1.4	2.6	0.6	***	***	1.3
Korea	***	2.1	9.8	13.7	***	***	7.7
South Africa	***	0.4	1.5	0.0	***	***	1.1
Taiwan	***	1.0	1.2	2.2	***	***	0.2
Turkey	***	2.0	0.2	0.0	***	***	-1.8
United Kingdom	***	0.0	0.0	0.0	***	***	0.0
Venezuela	***	0.7	2.7	0.0	***	***	2.1
All other sources	***	5.1	3.4	4.4	***	***	-1.7
Subtotal covered	***	13.1	24.8	26.8	***	***	11.7
Canada	***	2.0	0.9	0.6	***	***	-1.1
Mexico	***	8.7	8.4	4.9	***	***	-0.2
Subtotal non-covered	***	10.7	9.3	5.5	***	***	-1.3
Total imports	***	23.8	34.2	32.3	***	***	10.4
U.S. consumption value:							
Amount	***	277,794	259,172	46,084	***	***	-6.7
Producers' share (1)	***	78.2	70.8	71.5	***	***	-7.4
Importers' share (1):							
China	***	0.3	2.2	4.6	***	***	1.9
Germany	***	0.0	0.3	0.0	***	***	0.3
Japan	***	1.3	2.1	0.6	***	***	0.8
Korea	***	1.7	7.7	12.0	***	***	6.0
South Africa	***	0.3	1.1	0.0	***	***	0.8
Taiwan	***	0.7	0.9	1.9	***	***	0.2
Turkey	***	1.5	0.2	0.0	***	***	-1.4
United Kingdom	***	0.0	0.0	0.0	***	***	0.0
Venezuela	***	0.6	2.1	0.0	***	***	1.5
All other sources	***	5.4	2.9	3.5	***	***	-2.5
Subtotal covered	***	11.8	19.6	22.7	***	***	7.8
Canada	***	2.3	1.1	0.8	***	***	-1.2
Mexico	***	7.8	8.6	5.1	***	***	0.8
Subtotal non-covered	***	10.0	9.7	5.9	***	***	-0.4
Total imports	***	21.8	29.2	28.5	***	***	7.4

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Table C-1--Continued
Welded line pipe: Summary data concerning the U.S. market, 2000-2002 and January-February 2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes		
	2000	2001	2002	Jan.-Feb. 2003	2000-2002	2000-2001	2001-2002
U.S. imports from:							
China:							
Quantity	8,825	2,537	17,927	5,916	103.1	-71.3	606.7
Value	2,775	747	5,744	2,141	107.0	-73.1	668.5
Unit value	$314.46	$294.63	$320.41	$361.99	1.9	-6.3	8.7
Germany:							
Quantity	***	0	1,732	0	***	***	(2)
Value	***	0	893	0	***	***	(2)
Unit value	***	(2)	$515.56	(2)	***	***	(2)
Japan:							
Quantity	***	8,121	15,482	612	***	***	90.6
Value	***	3,614	5,493	282	***	***	52.0
Unit value	***	$445.00	$354.79	$460.55	***	***	-20.3
Korea							
Quantity	39,707	12,212	57,101	14,025	43.8	-69.2	367.6
Value	15,839	4,585	19,854	5,516	25.4	-71.1	333.0
Unit value	$398.89	$375.43	$347.70	$393.28	-12.8	-5.9	-7.4
South Africa:							
Quantity	4,181	2,255	8,514	0	103.6	-46.1	277.5
Value	1,734	919	2,933	0	69.2	-47.0	219.1
Unit value	$414.60	$407.53	$344.44	(2)	-16.9	-1.7	-15.5
Taiwan:							
Quantity	13,543	5,978	7,185	2,290	-46.9	-55.9	20.2
Value	4,738	2,029	2,381	881	-49.7	-57.2	17.4
Unit value	$349.83	$339.38	$331.46	$384.49	-5.3	-3.0	-2.3
Turkey:							
Quantity	0	11,898	1,296	0	(2)	(2)	-89.1
Value	0	4,216	414	0	(2)	(2)	-90.2
Unit value	(2)	$354.32	$319.56	(2)	(2)	(2)	-9.8
United Kingdom:							
Quantity	2,242	233	275	0	-87.7	-89.6	18.0
Value	1,037	109	108	0	-89.6	-89.5	-1.3
Unit value	$462.72	$468.27	$391.61	(2)	-15.4	1.2	-16.4
Venezuela:							
Quantity	4,483	3,888	16,048	0	258.0	-13.3	312.8
Value	1,870	1,558	5,321	0	184.6	-16.7	241.6
Unit value	$417.12	$400.63	$331.58	(2)	-20.5	-4.0	-17.2
All other sources:							
Quantity	12,962	30,053	19,936	4,486	53.8	131.9	-33.7
Value	4,972	14,962	7,571	1,634	52.3	200.9	-49.4
Unit value	$383.55	$497.85	$379.78	$364.10	-1.0	29.8	-23.7
Subtotal covered sources:							
Quantity	***	77,174	145,495	27,329	***	***	88.5
Value	***	32,738	50,712	10,453	***	***	54.9
Unit value	***	$424.21	$348.55	$382.49	***	***	-17.8
Canada:							
Quantity	16,672	11,888	5,355	631	-67.9	-28.7	-55.0
Value	8,058	6,321	2,800	360	-65.3	-21.6	-55.7
Unit value	$483.33	$531.70	$522.83	$571.35	8.2	10.0	-1.7
Mexico:							
Quantity	51,573	50,943	49,301	4,972	-4.4	-1.2	-3.2
Value	23,378	21,552	22,270	2,339	-4.7	-7.8	3.3
Unit value	$453.30	$423.06	$451.72	$470.49	-0.3	-6.7	6.8
Subtotal non-covered sources:							
Quantity	68,245	62,831	54,656	5,603	-19.9	-7.9	-13.0
Value	31,436	27,873	25,070	2,700	-20.3	-11.3	-10.1
Unit value	$460.64	$443.62	$458.69	$481.85	-0.4	-3.7	3.4
All sources:							
Quantity	***	140,005	200,151	32,932	***	***	43.0
Value	***	60,611	75,782	13,153	***	***	25.0
Unit value	***	$432.92	$378.62	$399.39	***	***	-12.5

Table continued on next page.

Table C-1--Continued
Welded line pipe: Summary data concerning the U.S. market, 2000-2002 and January-February 2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data				Period changes		
Item	2000	2001	2002	Jan.-Feb. 2003	2000-2002	2000-2001	2001-2002
U.S. producers':							
Average capacity quantity	1,067,131	1,061,970	1,123,290	212,682	5.3	-0.5	5.8
Production quantity	592,856	476,240	409,292	69,017	-31.0	-19.7	-14.1
Capacity utilization (1)	55.6	44.8	36.4	32.5	-19.1	-10.7	-8.4
U.S. shipments:							
Quantity	520,416	448,907	385,467	69,118	-25.9	-13.7	-14.1
Value	260,343	217,183	183,390	32,931	-29.6	-16.6	-15.6
Unit value	$500.26	$483.80	$475.76	$476.45	-4.9	-3.3	-1.7
Export shipments:							
Quantity	57,690	32,852	27,601	8,064	-52.2	-43.1	-16.0
Value	28,484	16,107	13,696	3,618	-51.9	-43.5	-15.0
Unit value	$493.74	$490.29	$496.21	$448.66	0.5	-0.7	1.2
Ending inventory quantity	71,053	76,154	79,655	71,510	12.1	7.2	4.6
Inventories/total shipments (1)	12.3	15.8	19.3	23.2	7.0	3.5	3.5
Production workers	1,025	656	626	442	-38.9	-36.0	-4.6
Hours worked (1,000s)	2,516	1,390	1,343	199	-46.6	-44.7	-3.4
Wages paid ($1,000s)	43,107	26,161	28,504	4,557	-33.9	-39.3	9.0
Hourly wages	$17.13	$18.82	$21.23	$22.93	23.9	9.8	12.8
Productivity (tons/1,000 hours)	199.5	293.4	258.3	297.9	29.5	47.0	-11.9
Unit labor costs	$85.87	$64.15	$82.17	$76.99	-4.3	-25.3	28.1
Net sales:							
Quantity	566,868	458,288	390,758	(2)	-31.1	-19.2	-14.7
Value	280,622	219,359	184,916	(2)	-34.1	-21.8	-15.7
Unit value	$495.04	$478.65	$473.22	(2)	-4.4	-3.3	-1.1
Cost of goods sold (COGS)	258,310	205,768	180,263	(2)	-30.2	-20.3	-12.4
Gross profit or (loss)	22,312	13,591	4,653	(2)	-79.1	-39.1	-65.8
SG&A expenses	12,657	10,516	9,502	(2)	-24.9	-16.9	-9.6
Operating income or (loss)	9,655	3,075	(4,849)	(2)	(2)	-68.2	(2)
Capital expenditures	6,399	11,418	9,026	(2)	41.1	78.4	-20.9
Unit COGS	$455.68	$448.99	$461.32	(2)	1.2	-1.5	2.7
Unit SG&A expenses	$22.33	$22.95	$24.32	(2)	8.9	2.8	6.0
Unit operating income or (loss)	$17.03	$6.71	($12.41)	(2)	(2)	-60.6	(2)
COGS/sales (1)	92.0	93.8	97.5	(2)	5.4	1.8	3.7
Operating income or (loss)/ sales (1)	3.4	1.4	-2.6	(2)	-6.1	-2.0	-4.0

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not Applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Due to the lack of questionnaire responses from companies which accounted for approximatly 23 percent of reported production in 2000, data pertaining to shipment, consumption, capacity, production, employment, hours worked, and wages paid are understated.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.