



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Turkey**

- On December 21, 2015, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of heavy walled rectangular welded carbon steel pipes and tubes from Turkey.
- The CVD law provides U.S. business and workers with a transparent and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce calculated a preliminary subsidy rate of 7.69 and 1.35 percent for mandatory respondents MMZ Onur Boru Profil uretim San Ve Tic. A.S. and Ozdemir Boru Profil San ve Tic. Ltd Sti., respectively. All other producers/exporters in Turkey have been assigned a preliminary subsidy rate of 4.39 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates.
- The petitioners for this investigation are Atlas Tube, a division of JMC Steel Group (IL); Bull Moose Tube Company (MO); EXLTUBE (MO); Hannibal Industries, Inc. (CA); Independence Tube Corporation (IL); Maruichi American Corporation (CA); Searing Industries (CA); Southland Tube (AL); and Vest, Inc. (CA).
- The products subject to this investigation are certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications.

Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or

- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The subject merchandise is currently provided for in item 7306.61.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under HTSUS 7306.61.3000. While the HTSUS subheadings and ASTM specification are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

- In 2014, imports of heavy walled rectangular welded carbon steel pipes and tubes from Turkey were valued at an estimated \$41.9 million.

#### **NEXT STEPS**

- The final determination of this CVD investigation has been aligned with the final determination of the companion antidumping duty investigation of heavy walled rectangular welded carbon steel pipes and tubes from Turkey. Therefore, Commerce is scheduled to announce its final determination in this investigation on or about May 2, 2016, unless the statutory deadline is extended.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of heavy walled rectangular welded carbon steel pipes and tubes from Turkey materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce's or the ITC's final determination is negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

#### **PRELIMINARY SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>Turkey</b>	<b>MMZ Onur Boru Profil uretim San Ve Tic. A.S.</b>	7.69%
	<b>Ozdemir Boru Profil San ve Tic. Ltd Sti</b>	1.35%
	<b>All Others</b>	4.39%

## CASE CALENDAR:

EVENT	DATE
Petition Filed	July 21, 2015
DOC Initiation Date	August 10, 2015
ITC Preliminary Determination	September 4, 2015
DOC Preliminary Determination	December 18, 2015
DOC Final Determination	May 2, 2016
ITC Final Determination*	June 16, 2016
Issuance of Order**	June 23, 2016

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

\*This will take place only in the event of a final affirmative determination from Commerce.

\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

## IMPORT STATISTICS:

TURKEY	2012	2013	2014
Volume (metric tons)	30,700	43,500	56,300
Value (USD)	25,266,000	32,841,000	41,868,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7306.61.1000).

Imports of heavy walled rectangular welded carbon steel pipes and tubes may also enter under 7306.61.3000. This HTSUS subheading may cover a significant amount of non-subject merchandise and therefore has been excluded for purposes of reporting import statistics.