



## FACT SHEET

### **Commerce Initiates Antidumping Duty Investigations of Imports of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey, and a Countervailing Duty Investigation of Imports from Turkey**

- On August 11, 2015, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) investigations of imports of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and Turkey, and a countervailing duty (CVD) investigation of imports from Turkey.
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. 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.
- The petitioners for these investigations are Atlas Tube, a division of JMC Steel Group (IL); Bull Moose Tube Company (MO); EXLTUBE<sup>1</sup> (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 these investigations 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

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<sup>1</sup> EXLTUBE is not a petitioner in the investigation involving Mexico.

- 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 these investigations is dispositive.

- In 2014, imports of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and Turkey were valued at an estimated \$50.5 million, \$53.7 million, and \$41.9 million, respectively.

#### NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before September 4, 2015.
- If the ITC determines that there is a reasonable indication that imports of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and/or Turkey materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in October 2015 and its preliminary AD determinations in December 2015, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be discontinued.

#### ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
Korea	53.8 percent
Mexico	11.9 percent
Turkey	102.1 to 113.7 percent

#### ESTIMATED SUBSIDY RATES:

COUNTRY	SUBSIDY RATES
Turkey	Above <i>de minimis</i> *

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

## CASE CALENDAR:

EVENT	AD INVESTIGATIONS	CVD INVESTIGATION
Petitions Filed	July 21, 2015	July 21, 2015
DOC Initiation Date	August 10, 2015	August 10, 2015
ITC Preliminary Determinations*	September 4, 2015	September 4, 2015
DOC Preliminary Determinations	December 28, 2015	October 14, 2015
DOC Final Determinations	March 14, 2016†	December 28, 2015
ITC Final Determinations**	April 28, 2016	February 11, 2016
Issuance of Orders***	May 5, 2016	February 18, 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 (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

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

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

## IMPORT STATISTICS:

KOREA	2012	2013	2014
Volume (metric tons)	51,100	52,000	75,600
Value (USD)	39,116,000	35,580,000	50,517,000
MEXICO	2012	2013	2014
Volume (metric tons)	53,400	60,300	65,600
Value (USD)	45,394,000	51,745,000	53,682,000
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.