



FACT SHEET

Commerce Finds Dumping of Imports of Welded Line Pipe from the Republic of Korea and the Republic of Turkey and Countervailable Subsidization of Imports of Welded Line Pipe from the Republic of Turkey

- On October 6, 2015, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of welded line pipe from the Republic of Korea (Korea) and the Republic of Turkey (Turkey) and the countervailing duty (CVD) investigation of imports of welded line pipe from Turkey. On this same date, Commerce also announced its negative final determination in the CVD investigation of imports of welded line pipe from Korea.
- 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.
- Commerce determined that imports of welded line pipe from Korea and Turkey have been sold in the United States at dumping margins ranging from 2.53 percent to 6.19 percent and 6.66 percent to 22.95 percent, respectively.
- Commerce also determined that imports of welded line pipe from Turkey have received countervailable subsidies ranging from 1.31 percent to 152.20 percent (the latter based on adverse facts available due to the respondent's lack of participation during verification). Commerce calculated de minimis final subsidy rates for imports of welded line pipe from Korea.
- In the Korea AD investigation, mandatory respondents SeAH Steel Corporation and Hyundai HYSCO received final dumping margins of 2.53 percent and 6.19 percent, respectively. All other producers/exporters in Korea received a final dumping margin of 4.36 percent.
- In the Turkey AD investigation, mandatory respondents Borusan Istikbal Ticaret and Borusan Mannesmann Boru Sanayi ve Ticaret A.S. received a final dumping margin of 22.95 percent. Cayirova Boru Sanayi ve Ticaret A.S./Yucel Boru Ithalat-Ihracat ve Pazarlama A.S. and Toscelik Profil ve Sac Endustrisi A.S./Tosyali Dis Ticaret A.S. received final dumping margins of 22.95 percent and 6.66 percent, respectively. All other producers/exporters in Turkey received a final dumping margin of 7.10 percent.
- In the Korea CVD investigation, mandatory respondents NEXTEEL Co. Ltd. and SeAH Steel Corporation received final subsidy rates of 0.28 percent and 0.44 percent, respectively. These rates

are considered de minimis under U.S. law, resulting in a negative final determination that applies to the country as a whole.

- In the Turkey CVD investigation, mandatory respondent Tosyali Dis Ticaret A.S. received a final subsidy rate of 1.31 percent. Mandatory respondent Borusan Mannesmann Boru Sanayi ve Ticaret A.S. received a final subsidy rate of 152.20 percent, based on an adverse facts available finding due to its lack of participation during verification. All other producers/exporters in Turkey have been assigned a final subsidy rate of 1.31 percent.
- As a result of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final Turkey CVD determination, if the U.S. International Trade Commission (ITC) issues an affirmative injury determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation; we will also adjust the Turkey AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the ITC issues negative injury determinations, these investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.
- As a result of the negative CVD final determination for Korea, the Korea CVD investigation is terminated and no Korean producers or exporters will be subject to cash deposits for CVD duties.
- The petitioners for these investigations are: American Cast Iron Pipe Company (AL); Energex, a division of JMC Steel Group (IL); Maverick Tube Corporation (TX); Northwest Pipe Company (WA); Stupp Corporation, a division of Stupp Bros., Inc. (LA); Tex-Tube Corporation (TX); TMK IPSCO (TX); and Welspun Tubular LLC USA (AR).
- The merchandise covered by these investigations is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of these investigations.
- The welded line pipe that is subject to these investigations is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. The subject merchandise may also enter in HTSUS subheadings 7305.11.1060 and 7305.12.1060. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.
- In 2014, imports of welded line pipe from Korea and Turkey were valued at an estimated \$543.6 million and \$94.7 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations on or about November 18, 2015.
- If the ITC makes affirmative final determinations that imports of welded line pipe from Korea and/or Turkey materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders for those countries and a CVD order for Turkey. If the ITC makes negative determinations of injury, the investigations will be terminated. As a result of Commerce's negative final determination, the CVD investigation of welded line from Korea is already terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Korea	SeAH Steel Corporation	2.53%
	Hyundai HYSCO	6.19%
	All Others	4.36%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT
Turkey	Borusan Istikbal Ticaret	22.95%	0%
	Borusan Mannesmann Boru Sanayi ve Ticaret A.S.	22.95%	0%
	Cayirova Boru Sanayi ve Ticaret A.S./Yucel Boru Ithalat-Ihracat ve Pazarlama A.S.	22.95%	22.09%
	Toscelik Profil ve Sac Endustrisi A.S./Tosyali Dis Ticaret A.S.	6.66%	5.80%
	All Others	7.10%	6.24%

NOTE: The cash deposit rates are adjusted to account for the applicable export subsidy rate of 27.32 percent for Borusan Istikbal Ticaret and Borusan Mannesmann Boru Sanayi ve Ticaret A.S.; and 0.86 percent for Cayirova Boru Sanayi ve Ticaret A.S./Yucel Boru Ithalat-Ihracat ve Pazarlama, Toscelik Profil ve Sac Endustrisi A.S./Tosyali Dis Ticaret A.S., and all other exporters/producers in Turkey.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	NEXTEEL Co. Ltd.	0.28%*
	SeAH Steel Corporation	0.44%*

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

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Turkey	Borusan Mannesmann Boru Sanayi ve Ticaret A.S.	152.20%
	Tosyali Dis Ticaret A.S.	1.31%
	All Others	1.31%

CASE CALENDAR:

EVENT	CVD INVESTIGATIONS	AD INVESTIGATIONS
Petition Filed	October 16, 2014	October 16, 2014
DOC Initiation Date	November 5, 2014	November 5, 2014
ITC Preliminary Determinations	December 1, 2014	December 1, 2014
DOC Preliminary Determinations	March 16, 2015	May 14, 2015
DOC Final Determinations*	October 5, 2015†	October 5, 2015†
ITC Final Determinations	November 18, 2015	November 18, 2015
Issuance of Orders**	November 27, 2015†	November 27, 2015†

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 deadline is 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.

*The final determination in the CVD investigations have been aligned with the final determinations in the concurrent AD investigations.

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

IMPORT STATISTICS:

KOREA	2012	2013	2014
Volume (metric tons)	679,500	656,600	702,600
Value (USD)	655,041,000	554,057,000	543,600,000
TURKEY	2012	2013	2014
Volume (metric tons)	60,300	59,900	78,100
Value (USD)	52,482,000	46,724,000	94,717,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7305.11.1030, 7305.11.5000, 7304.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. Imports of welded line pipe may also enter under HTSUS 7305.11.1060 and 7305.12.1060, which may cover significant amounts of non-subject merchandise. Therefore, these two HTSUS subheadings have not been used for purposes of reporting import statistics.)