



**UNITED STATES DEPARTMENT OF COMMERCE**  
**International Trade Administration**  
Washington, D. C. 20230

A-201-805

**Public Document**

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**DATE:** August 1, 2013

**MEMORANDUM TO:** Paul Piquado  
Assistant Secretary  
for Import Administration

**FROM:** Christian Marsh   
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

**SUBJECT:** Decision Memorandum for Preliminary Results of Antidumping  
Duty Administrative Review: Certain Circular Welded  
Non-Alloy Steel Pipe from Mexico

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**SUMMARY**

In response to requests by interested parties, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico. This administrative review originally covered eight respondents: Conduit S.A. de C.V. (Conduit); Ternium Mexico, S.A. de C.V. (Ternium); Tuberia Nacional, S.A. de C. V. (TUNA); Lamina y Placa Comercial, S.A. de C.V. (Lamina); Mueller Comercial de Mexico, S. de R.L. de C.V. (Mueller); Regiomontana de Perfiles y Tubos, S.A. de C.V. (Regiopytsa); PYTCO, S.A. de C.V. (PYTCO); and Southland Pipe Nipples Co., Inc. (Southland). The Department selected two mandatory respondents for examination: Conduit and Ternium.<sup>1</sup> All requests for administrative review of PYTCO, Conduit, Southland, and Ternium were withdrawn, so we recommend rescinding this administrative review, in part, with respect to these four companies. We also recommend preliminarily determining that TUNA, Lamina, Mueller, and Regiopytsa made no shipments during the POR.

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<sup>1</sup> See the Memorandum from Mark Flessner to Richard Weible entitled, "Administrative Review of the Antidumping Duty Order on Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Respondent Selection Memorandum," dated February 14, 2013 (Respondent Selection Memorandum).



## BACKGROUND

On November 2, 1992, the Department published the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico.<sup>2</sup>

On November 30, 2012, domestic interested parties Allied Tube and Conduit (Allied) and TMK-IPSCO (TMK) requested administrative reviews of the following companies: TUNA; Lamina; Mueller; Regiopytsa; PYTCO; and Conduit.

On November 30, 2012, domestic interested party United States Steel Corporation (U.S. Steel) requested administrative reviews of the following companies: Mueller; TUNA and its successor-in-interest Lamina; Ternium; PYTCO; Conduit; and Southland. On December 10, 2012, U.S. Steel issued a clarification of its request for administrative review, which excluded Southland.

On November 30, 2012, the petitioner Wheatland Tube Company (Wheatland) requested administrative reviews of the following companies: PYTCO; Lamina; Mueller; and Ternium.

On December 31, 2012, the Department published in the *Federal Register* its notice of initiation of administrative review of certain circular welded non-alloy steel pipe from Mexico, which included eight exporters or producers for which we received timely requests.<sup>3</sup> The *Initiation Notice* stated that, in the event the Department limits the number of respondents for individual examination for administrative reviews, the Department intended to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the POR.

On January 16, 2013, the Department issued to all parties with Administrative Protective Order access a memorandum from Mark Flessner to the File entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Placement on the Record of U.S. Customs and Border Patrol Information for 2011-2012 Period of Review"<sup>4</sup> (CBP Information Memorandum). We invited interested parties to comment on these data; the Department received no comments.

On January 18, 2013, the Department received a letter from Lamina and TUNA stating that "LYPCSA<sup>5</sup> and TUNA did not have any exports, sales, or entries of subject merchandise during the above-referenced period of review."

On February 4, 2013, the Department received a letter from Ternium which stated that, during the POR, "neither Ternium nor its affiliates had exports of subject pipe to the United States, sales of subject pipe to the United States, or entries of subject pipe into the United States." Ternium requested rescission of the administrative review with respect to itself and its affiliates.

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<sup>2</sup> See *Notice of Antidumping Duty Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992).

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 77 FR 77017 (December 31, 2012) (*Initiation Notice*).

<sup>4</sup> Note that the agency's proper title, U.S. Customs and Border Protection, was misstated in the memorandum title.

<sup>5</sup> LYPCSA is another abbreviation for Lamina y Placa, S.A. de C.V., otherwise referenced as Lamina throughout.

As noted above, the Department stated in its initiation of this review that it intended to rely on CBP data to select respondents if respondent selection was considered appropriate.<sup>6</sup> For the purpose of potential respondent selection, we made a data inquiry to CBP and placed certain documents from this data query on the record.<sup>7</sup> For further discussion of these documents, see the “No Shipments Claims” section below. The Department selected Conduit and Ternium as mandatory respondents and issued its standard antidumping questionnaire to Conduit and Ternium on February 14, 2013.

On March 8, 2013, Ternium (after review of the instructions accompanying the antidumping questionnaire, as requested by the Department) confirmed its statement that neither Ternium nor its affiliates had exports, sales, or entries of subject pipe to the United States.

On March 25, 2013, Allied and TMK timely withdrew their requests for administrative review of PYTCO and Conduit. Allied and TMK did not withdraw their requests for administrative review with respect to TUNA, Lamina, Mueller, or Regiopytsa.

On March 27, 2013, U.S. Steel timely withdrew its requests for administrative review with regard to all companies for whom it had requested an administrative review (*i.e.*, Mueller, TUNA and its successor-in-interest Lamina, Ternium, PYTCO, and Conduit; Southland had already been excluded in its clarification of December 10, 2012, *above*).

On March 29, 2013, Wheatland timely withdrew its requests for administrative review “in its entirety” thereby withdrawing requests with respect to PYTCO, Lamina, Mueller, and Ternium.

On April 3, 2013, the Department received a letter from Mueller stating that it could confirm to the Department that “Mueller did not have any exports, sales, or entries of the subject merchandise during the November 1, 2011 through October 31, 2012 period of review.” Mueller requested rescission of its administrative review.

On April 16, 2013, the Department received a letter from Regiopytsa stating: “Regiopytsa confirms that it did not have any exports, sales, or entries to the United States of merchandise subject to the above-referenced order during the November 1, 2011 through October 31, 2012 period of review. This statement conforms with the Department’s findings in its selection memorandum.” Regiopytsa requested rescission of its administrative review.

## **SCOPE OF THE ORDER**

The products covered by the order are circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low pressure conveyance of water, steam, natural gas, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic

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<sup>6</sup> See *Initiation Notice*.

<sup>7</sup> See the Respondent Selection Memorandum.

sprinkler systems, and other related uses, and generally meet ASTM A-53 specifications. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and related industries. Unfinished conduit pipe is also included in these orders. All carbon steel pipes and tubes within the physical description outlined above are included within the scope of the order, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil or gas pipelines is also not included in the order.

The merchandise covered by the order and subject to this review are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

## **ANALYSIS**

### **A. Partial Rescission of Administrative Review**

No requests for administrative review with respect to PYTCO, Conduit, Southland, and Temium remain on the record of this segment of the proceeding. Consequently, in accordance with 19 CFR 351.213(d)(1), we recommend rescinding the administrative review with respect to these companies.

### **B. No Shipments Claims**

As noted above, TUNA, Lamina, Mueller, and Regiopytsa have each submitted claims of no shipments during the POR. None of these statements is inconsistent with the data contained in the CBP Information Memorandum. No party has submitted comments with respect to either the CBP Information Memorandum or any party's claim of no shipments.

In accordance with our standard practice with claims of no shipment, the Department made additional inquiries to CBP for each of these companies. We received no information from CBP to contradict the results of our data queries and the claims made by these companies.<sup>8</sup>

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<sup>8</sup> One of the CBP inquiry responses initially indicated an apparent contradiction. *See* the Memorandum from Mark Flessner to the File entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: U.S. Customs and Border Protection Response to Inquiry for the 2011-2012 Period of Review," dated July 25, 2013 (CBP Inquiry Response Memorandum). On July 29, 2013, Mueller stated that it could "re-confirm the statement in our April 3, 2013 letter to the Department that Mueller was not the exporter of any entries of subject merchandise to the United States during the period of review nor did it know or have reason to know of any exports, sales, or entries of subject merchandise to the United States during the period of review." *See* the letter from Mueller to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Response to Customs and Border Protection Inquiry," dated July 29, 2013, at 1-2. After consideration of all the evidence on the record, we preliminarily find that there is no contradiction between Mueller's statements and the CBP Inquiry Response Memorandum.

Therefore, we preliminarily determine that TUNA, Lamina, Mueller, and Regiopytsa made no shipments during the POR.

**RECOMMENDATION**

We recommend applying the above methodology for these preliminary results.

✓  
Agree

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Disagree

*Paul Piquado*  
Paul Piquado  
Assistant Secretary  
for Import Administration

1 AUGUST 2013  
Date