



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Welded Stainless Pressure Pipe from India

- On March 7, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of welded stainless pressure pipe from India.
- The CVD law provides U.S. business and workers with a transparent, quasi-judicial, 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, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce calculated a preliminary subsidy rate of 2.96 percent and 6.21 percent for mandatory respondents Steamline Industries Limited and Sunrise Stainless Private Limited, Sun Mark Stainless Pvt. Ltd., and Shah Foils Ltd. (collectively, “Sunrise Group”), respectively. All other producers/exporters in India have been assigned a preliminary subsidy rate of 4.55 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 Bristol Metals, LLC (TN); Felker Brothers Corporation (WI); Outokumpu Stainless Pipe, Inc. (FL); and Marcegaglia USA Inc. (PA).
- The merchandise covered by this investigation is circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter. References to size are in nominal inches and include all products within tolerances allowed by pipe specifications. This merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. ASTM A-358 products are only included when they are produced to meet ASTM A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications.

Excluded from the scope of the investigation are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.

The subject imports are normally classified in subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United

States (HTSUS). They may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

- In 2014, imports of welded stainless pressure pipe from India were valued at an estimated \$36.9 million.

NEXT STEPS

- Commerce will next conduct on-site verification of the information submitted in the questionnaire responses filed by the respondent companies, and will issue the resulting verification reports to all interested parties. Interested parties will then be afforded an opportunity to provide legal arguments on the preliminary determination and the verification reports, and participate in a public hearing, if one is requested.
- Commerce is scheduled to announce its final determination on or about July 18, 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 welded stainless pressure pipe from India 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:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
India	Steamline Industries Limited	2.96%
	Sunrise Stainless Private Limited, Sun Mark Stainless Pvt. Ltd., and Shah Foils Ltd. (collectively, “Sunrise Group”)	6.21%
	All Others	4.55%

CASE CALENDAR:

EVENT	DATE
Petition Filed	September 30, 2015
DOC Initiation Date	October 20, 2015
ITC Preliminary Determination	November 16, 2015
DOC Preliminary Determination	March 4, 2016
DOC Final Determination	July 18, 2016†
ITC Final Determination*	September 1, 2016
Issuance of Order**	September 8, 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.

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

*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:

INDIA	2012	2013	2014
Volume (metric tons)	300	1,100	11,000
Value (USD)	794,000	3,677,000	36,369,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085)

Imports of welded stainless pressure pipe may also enter under 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.