



FACT SHEET

Commerce Initiates Antidumping Duty Investigations of Imports of Cold-Drawn Mechanical Tubing from the People's Republic of China, Germany, India, Italy, Korea, and Switzerland and Countervailing Duty Investigations of Imports of Cold-Drawn Mechanical Tubing from the People's Republic of China and India

- On May 10, 2017, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) investigations of imports of cold-drawn mechanical tubing from the People's Republic of China (China), Germany, India, Italy, Korea, and Switzerland and countervailing duty (CVD) investigations of imports of cold-drawn mechanical tubing from China and India.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, 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, 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.
- The petitioners are ArcelorMittal Tubular Products (OH), Michigan Seamless Tube, LLC (MI), PTC Alliance Corp. (PA), Webco Industries, Inc. (OK), and Zekelman Industries, Inc. (PA).
- The scope of these investigations covers cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) of circular cross-section, in actual outside diameters less than 331 mm, and regardless of wall thickness, surface finish, end finish or industry specification. The subject cold-drawn mechanical tubing is a tubular product with a circular cross-sectional shape that has been cold-drawn or otherwise cold-finished after the initial tube formation in a manner that involves a change in the diameter or wall thickness of the tubing, or both. The subject cold-drawn mechanical tubing may be produced from either welded (e.g., electric resistance welded, continuous welded, etc.) or seamless (e.g., pierced, pilgered or extruded, etc.) carbon or alloy steel tubular products. It may also be heat treated after cold working. Such heat treatments may include, but are not limited to, annealing, normalizing, quenching and tempering, stress relieving or finish annealing. Typical cold-drawing methods for subject merchandise include, but are not limited to, drawing over mandrel, rod drawing, plug drawing, sink drawing and similar processes that involve reducing the outside diameter of the tubing with a die or similar device, whether or not controlling the inside diameter of the tubing with an internal support device such as a mandrel, rod, plug or similar device.

Subject cold-drawn mechanical tubing is typically certified to meet industry specifications for cold-drawn tubing including but not limited to:

(1) American Society for Testing and Materials (ASTM) or American Society of Mechanical Engineers (ASME) specifications ASTM A-512, ASTM A-513 Type 3 (ASME SA513 Type 3),

ASTM A-513 Type 4 (ASME SA513 Type 4), ASTM A-513 Type 5 (ASME SA513 Type 5), ASTM A-513 Type 6 (ASME SA513 Type 6), ASTM A-519 (cold-finished);

(2) SAE International (Society of Automotive Engineers) specifications SAE J524, SAE J525, SAE J2833, SAE J2614, SAE J2467, SAE J2435, SAE J2613;

(3) Aerospace Material Specification (AMS) AMS T-6736 (AMS 6736), AMS 6371, AMS 5050, AMS 5075, AMS 5062, AMS 6360, AMS 6361, AMS 6362, AMS 6371, AMS 6372, AMS 6374, AMS 6381, AMS 6415;

(4) United States Military Standards (MIL) MIL-T-5066 and MIL-T-6736;

(5) foreign standards equivalent to one of the previously listed ASTM, ASME, SAE, AMS or MIL specifications including but not limited to:

(a) German Institute for Standardization (DIN) specifications DIN 2391-2, DIN 2393-2, DIN 2394-2);

(b) European Standards (EN) EN 10305-1, EN 10305-2, EN 10305-4, EN 10305-6 and European national variations on those standards (e.g., British Standard (BS EN), Irish Standard (IS EN) and German Standard (DIN EN) variations, etc.);

(c) Japanese Industrial Standard (JIS) JIS G 3441 and JIS G 3445; and

(6) proprietary standards that are based on one of the above-listed standards.

The subject cold-drawn mechanical tubing may also be dual or multiple certified to more than one standard. Pipe that is multiple certified as cold-drawn mechanical tubing and to other specifications not covered by this scope, is also covered by the scope of these investigations when it meets the physical description set forth above.

Steel products included in the scope of these investigations are products in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is 2 percent or less by weight.

For purposes of this scope, the place of cold-drawing determines the country of origin of the subject merchandise. Subject merchandise that is subject to minor working in a third country that occurs after drawing in one of the subject countries including, but not limited to, heat treatment, cutting to length, straightening, nondestruction testing, deburring or chamfering, remains within the scope of the investigations.

All products that meet the written physical description are within the scope of these investigations unless specifically excluded or covered by the scope of an existing order. Merchandise that meets the physical description of cold-drawn mechanical tubing above is within the scope of the investigations even if it is also dual or multiple certified to an otherwise excluded specification listed below. The following products are outside of, and/or specifically excluded from, the scope of these investigations:

(1) cold-drawn stainless steel tubing, containing 10.5 percent or more of chromium by weight and not more than 1.2 percent of carbon by weight;

(2) products certified to one or more of the ASTM, ASME or American Petroleum Institute (API) specifications listed below:

ASTM A-53;
ASTM A-106;
ASTM A-179 (ASME SA 179);
ASTM A-192 (ASME SA 192);
ASTM A-209 (ASME SA 209);
ASTM A-210 (ASME SA 210);
ASTM A-213 (ASME SA 213);
ASTM A-334 (ASME SA 334);
ASTM A-423 (ASME SA 423);
ASTM A-498;
ASTM A-496 (ASME SA 496);
ASTM A-199;
ASTM A-500;
ASTM A-556;
ASTM A-565;
API 5L; and
API 5CT

except that any cold-drawn tubing product certified to one of the above excluded specifications will not be excluded from the scope if it is also dual- or multiple-certified to any other specification that otherwise would fall within the scope of these investigations.

The products subject to the investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.31.3000, 7304.31.6050, 7304.51.1000, 7304.51.5005, 7304.51.5060, 7306.30.5015, 7306.30.5020, 7306.50.5030. Subject merchandise may also enter under numbers 7306.30.1000 and 7306.50.1000. The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigations is dispositive.

- In 2016, imports of cold-drawn mechanical tubing from China, Germany, India, Italy, Korea, and Switzerland were valued at an estimated \$29.4, \$38.8, \$25.0, \$11.9, \$21.3, and \$26.2 million, respectively.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before June 5, 2017.
- If the ITC determines that there is a reasonable indication that imports of cold-drawn mechanical tubing from China, Germany, India, Italy, Korea, and/or Switzerland, materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and the Department will announce its preliminary CVD determinations in July 2017 and its preliminary AD

determinations in September 2017, though these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
China	87.58 – 186.89 percent
Germany	77.70 - 209.06 percent
India	33.80 percent
Italy	37.08 – 68.95 percent
Korea	12.00 – 48.00 percent
Switzerland	38.02 – 52.21 percent

ESTIMATED SUBSIDY RATES:

COUNTRY	SUBSIDY RATES
China	<i>Above de minimis*</i>
India	<i>Above de minimis*</i>

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

CASE CALENDAR:

EVENT	AD INVESTIGATIONS	CVD INVESTIGATIONS
Petitions Filed	April 19, 2017	April 19, 2017
DOC Initiation Date	May 9, 2017	May 9, 2017
ITC Preliminary Determinations*	June 5, 2017†	June 5, 2017†
DOC Preliminary Determinations**	September 26, 2017	July 13, 2017
DOC Final Determinations***	December 11, 2017†	September 26, 2017
ITC Final Determinations****	January 24, 2018	November 13, 2017†
Issuance of Orders*****	January 31, 2018	November 20, 2017†

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 a negative preliminary determination of injury, the investigations are terminated.

**These deadlines may be extended under the governing statute.

***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:

CHINA	2014	2015	2016
Volume (metric tons)	26,012	24,283	20,954
Value (USD)	42,490,567	38,058,961	29,422,194
GERMANY			
Volume (metric tons)	12,506	20,041	19,427
Value (USD)	38,255,178	43,544,377	38,801,537
INDIA			
Volume (metric tons)	21,184	19,668	22,679
Value (USD)	30,420,154	26,196,056	24,998,287
ITALY			
Volume (metric tons)	4,369	8,509	6,488
Value (USD)	12,816,463	20,572,099	11,874,237
KOREA			
Volume (metric tons)	9,263	9,690	10,072
Value (USD)	24,276,275	18,569,262	21,336,857
SWITZERLAND			
Volume (metric tons)	8,358	8,910	9,977
Value (USD)	23,867,619	25,720,585	26,179,986

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7304.31.3000, 7304.31.6050, 7304.51.1000, 7304.51.5005, 7304.51.5060, 7306.30.5015, 7306.30.5020, and 7306.50.5030) Some of the above HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.