



FACT SHEET

Commerce Finds Dumping of Imports of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey, and Countervailable Subsidization of Imports of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Turkey

- On July 15, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and Turkey, and the countervailing duty (CVD) investigation of imports of heavy walled rectangular welded carbon steel pipes and tubes from Turkey.
- 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.
- In the Korea investigation, Commerce found dumping has occurred by mandatory respondents Dong-A Steel Company and HiSteel Co., Ltd. at dumping margins of 2.34 percent and 3.82 percent, respectively. Commerce calculated a final dumping margin of 3.24 percent for all other producers/exporters in Korea.
- In the Mexico investigation, Commerce found dumping has occurred by mandatory respondents Maquilacero S.A. de C.V. and Productos Laminados de Monterrey S.A. de C.V. at dumping margins of 3.83 percent and 5.21 percent, respectively. Commerce calculated a final dumping margin of 4.91 percent for all other producers/exporters in Mexico.
- In the Turkey AD investigation, Commerce found dumping has occurred by mandatory respondent MMZ Boru Profil Uretim Sanayi Ve Tic. A.S. (MMZ) at a dumping margin of 35.66 percent. Commerce determined that MMZ's final dumping margin was based on adverse facts available as a result of its failure to cooperate to the best of its ability in the investigation. Additionally, Commerce determined that no dumping has occurred by mandatory respondent Ozdemir Boru Profil San. Ve Tic. Ltd. Sti. (Ozdemir). Because Commerce calculated a weighted-average dumping margin of zero for Ozdemir, it would be excluded from an AD order. Commerce calculated a final dumping margin of 17.83 percent for all other producers/exporters in Turkey.
- In the Turkey CVD investigation, Commerce calculated final subsidy rates of 23.37 percent and 15.08 percent for mandatory respondents MMZ and Ozdemir, respectively. Commerce calculated a final subsidy rate of 19.06 percent for all other producers/exporters in Turkey.

- As a result of the affirmative final AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins, except where these rates are zero or *de minimis*. Further, as a result of the affirmative final 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 will require cash deposits for CVD duties equal to the final subsidy rates established during the investigation. For Turkey, Commerce will also adjust the AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the U.S. International Trade Commission (ITC) issues negative injury determinations, the 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 previously collected cash deposits will be refunded.
- The petitioners for these investigations are Atlas Tube, a division of JMC Steel Group (IL); Bull Moose Tube Company (MO); EXLTUBE¹ (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
- 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.

¹ EXLTUBE is not a petitioner in the investigation involving Mexico.

- 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 ITC is scheduled to make its final injury determinations in the investigations of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and Turkey on August 29, 2016.
- If the ITC makes affirmative final determinations 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, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Korea	Dong-A Steel Company	2.34%
	HiSteel Co., Ltd.	3.82%
	All Others	3.24%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Mexico	Maquilacero S.A. de C.V.	3.83%
	Productos Laminados de Monterrey S.A. de C.V.	5.21%
	All Others	4.91%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS
Turkey	MMZ Boru Profil Uretim Sanayi Ve Tic. A.S.	35.66%	35.66%
	Ozdemir Boru Profil San. Ve Tic. Ltd. Sti.	0.00%	n/a
	All Others	17.83%	17.73%

NOTE: The cash deposit rate is adjusted to account for the applicable export subsidy rate of 0.10 percent for all other exporters/producers in Turkey.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Turkey	MMZ Onur Boru Profil Uretim Sanayi Ve Tic. A.S.	23.37%
	Ozdemir Boru Profil San. Ve Tic. Ltd. Sti.	15.08%
	All Others	19.06%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petition Filed	July 21, 2015	July 21, 2015
DOC Initiation Date	August 10, 2015	August 10, 2015
ITC Preliminary Determination	September 4, 2015	September 4, 2015
DOC Preliminary Determination	December 18, 2015	February 22, 2016
DOC Final Determination	July 14, 2016	July 14, 2016
ITC Final Determination†	August 29, 2016†	August 29, 2016†
Issuance of Order**	September 6, 2016†	September 6, 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 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.

**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)	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.