



## FACT SHEET

### **Commerce Initiates Antidumping Duty (AD) and Countervailing Duty (CVD) Investigations of Imports of Large Diameter Welded Pipe from Canada, China, Greece, India, Korea, and Turkey**

- On February 12, 2018, the Department of Commerce (Commerce) announced the initiation of AD investigations of imports of large diameter welded pipe from Canada, China, Greece, India, Korea, and Turkey and CVD investigations of imports of large diameter welded pipe from China, India, Korea, and 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.
- The petitioners are American Cast Iron Pipe Company (Birmingham, AL), Berg Steel Pipe Corp. (Panama City, FL), Dura-Bond Industries (Steelton, PA), Skyline Steel (Parsippany, NJ), and Stupp Corporation (Baton Rouge, LA).
- The product covered by these investigations is welded carbon and alloy steel pipe, more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included in large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of these investigations, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope large diameter welded pipe.

Excluded from the scope are any products covered by the existing antidumping duty orders on welded line pipe from Korea, welded line pipe from Turkey, and welded ASTM-312 stainless steel pipe from Korea, as well as any products covered by the existing countervailing duty order on welded line pipe from Turkey. *See Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 FR 75056 (December 1, 2015); *Welded ASTM A-312 Stainless Steel Pipe from South Korea: Antidumping Duty Order*, 57 FR 62300 (December 30, 1992); and *Welded Line Pipe from the Republic of Turkey: Countervailing Duty Order*, 80 FR 75054 (December 1, 2015).

The large diameter welded pipe that is subject to these investigations is currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2016, imports of large diameter welded pipe from Canada, China, India, Greece, Korea, and Turkey were valued at an estimated \$66 million, \$13 million, \$26 million, \$70 million, \$150.3 million, and \$116.1 million, respectively.
- The Initiation Checklists are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers A-122-863 for AD Canada, A-570-077 for AD China, A-484-803 for AD Greece, A-533-881 for AD India, A-580-897 for AD Korea, A-489-833 for AD Turkey, C-570-078 for CVD China, C-533-882 for CVD India, C-580-898 for CVD Korea, and C-489-834 for CVD Turkey.

## **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before March 5, 2018.
- If the ITC determines that there is a reasonable indication that imports of large diameter welded pipe from Canada, China, Greece, India, Korea, and/or Turkey materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and Commerce will be scheduled to announce its preliminary CVD determinations on April 17, 2018 and its preliminary AD determinations on July 2, 2018, though these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

## ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
Canada	50.89 percent
China	120.84 – 132.63 percent
Greece	41.04 percent
India	37.94 percent
Korea	16.18 and 20.39 percent
Turkey	66.09 percent

## ESTIMATED SUBSIDY RATE:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *
India	Above <i>de minimis</i> *
Korea	Above <i>de minimis</i> *
Turkey	Above <i>de minimis</i> *

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

## CASE CALENDAR:

EVENT	CVD INVESTIGATIONS	AD INVESTIGATIONS
Petitions Filed	January 17, 2018	January 17, 2018
DOC Initiation Date <sup>^</sup>	February 9, 2018	February 9, 2018
ITC Preliminary Determinations <sup>*^</sup>	March 5, 2018 <sup>†</sup>	March 5, 2018 <sup>†</sup>
DOC Preliminary Determinations <sup>^</sup>	April 16, 2018 <sup>†</sup>	June 29, 2018
DOC Final Determinations <sup>^</sup>	July 2, 2018	September 12, 2018
ITC Final Determinations <sup>**^</sup>	August 13, 2018	October 29, 2018 <sup>†</sup>
Issuance of Orders <sup>***^</sup>	August 20, 2018	November 5, 2018 <sup>†</sup>

NOTE: Commerce’s 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.

\* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

\*\*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.

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

<sup>^</sup> As explained in the Memorandum for the Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government,” dated January 23, 2018, Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from January 20 through January 22, 2018. Therefore, the initiation date for these investigations has been tolled by three days and all other deadlines have been adjusted accordingly.

## IMPORT STATISTICS:

<b>CANADA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	187,179	306,779	61,385
Value (USD)	287,139,882	413,431,361	65,951,912
<b>CHINA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	47,257	47,447	19,011
Value (USD)	39,184,235	37,877,396	12,952,478
<b>GREECE</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	16,742	182,657	82,375
Value (USD)	18,827,809	197,195,473	69,974,420
<b>INDIA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	64,049	46,349	29,682
Value (USD)	59,337,771	44,863,573	25,994,228
<b>KOREA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	216,762	227,916	174,452
Value (USD)	205,042,309	187,218,815	150,306,695
<b>TURKEY</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	31,388	115,629	108,546
Value (USD)	59,295,757	136,213,672	116,081,404

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000, and 7305.39.5000. Note: Currently there are AD and CVD orders on welded line pipe from Turkey and an AD order on welded line pipe from Korea. These three orders cover welded line pipe not more than 24 inches in nominal outside diameter. The above import statistics include HTSUS subheadings that may also be covered under the AD and CVD orders; therefore, the above import statistics for imports of large diameter welded pipe from Korea and Turkey may be overstated.