



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Welded Line Pipe from the Republic of Korea and the Republic of Turkey

- On November 6, 2014, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of welded line pipe from the Republic of Korea (Korea) and the Republic of Turkey (Turkey).
- The AD and CVD laws provide U.S. businesses and workers with a transparent 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, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioners for these investigations are: American Cast Iron Pipe Company (Birmingham, AL); Energex, a division of JMC Steel Group (Chicago, IL); Maverick Tube Corporation (Houston, TX); Northwest Pipe Company (Vancouver, WA); Stupp Corporation, a division of Stupp Bros., Inc. (Baton Rouge, LA); Tex-Tube Corporation (Houston, TX); TMK IPSCO (Houston, TX); and Welspun Tubular LLC USA (Little Rock, AR).
- The merchandise covered by these investigations is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of these investigations.
- The welded line pipe that is subject to these investigations is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. The subject merchandise may also enter in HTSUS subheadings 7305.11.1060 and 7305.12.1060. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.
- In 2013, imports of welded line pipe from Korea and Turkey were valued at an estimated \$554.1 million and \$46.7 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before December 1, 2014.
- If the ITC determines that there is a reasonable indication that imports of welded line pipe from Korea and/or Turkey materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determinations in January 2015 and its preliminary AD determinations in March 2015, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be terminated.

Alleged Dumping Margins:

COUNTRY	DUMPING MARGIN
Korea	48.49 to 202.31 percent

COUNTRY	DUMPING MARGIN
Turkey	9.85 percent

Estimated Subsidy Rate:

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

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

COUNTRY	SUBSIDY RATE
Turkey	Above <i>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	October 16, 2014	October 16, 2014
DOC Initiation Date	November 5, 2014	November 5, 2014
ITC Preliminary Determinations*	December 1, 2014	December 1, 2014
DOC Preliminary Determinations	March 25, 2015	January 9, 2015
DOC Final Determinations	June 8, 2015	March 25, 2015
ITC Final Determinations**	July 23, 2015	May 11, 2015
Issuance of Orders***	July 30, 2015	May 18, 2015

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.

* If the ITC makes negative preliminary determinations of injury, the investigations will be 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.

IMPORT STATISTICS:

KOREA	2011	2012	2013
Volume (metric tons)	499,600	679,500	656,600
Value (USD)	473,175,000	655,041,000	554,057,000
TURKEY	2011	2012	2013
Volume (metric tons)	20,600	60,300	59,900
Value (USD)	18,219,000	52,482,000	46,724,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7305.11.1030, 7305.11.5000, 7304.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. Imports of welded line pipe may also enter under HTSUS 7305.11.1060 and 7305.12.1060, which may cover significant amounts on non-subject merchandise. Therefore, these two HTSUS subheadings have not been used for purposes of reporting import statistics.