



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Welded Line Pipe from the Republic of Turkey and No Countervailable Subsidization of Imports of Welded Line Pipe from the Republic of Korea

- On March 17, 2015, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of welded line pipe from the Republic of Turkey (Turkey) and its negative preliminary determination in the CVD investigation of imports of welded line pipe from the Republic of Korea (Korea).
- The CVD law provides U.S. business and workers with a transparent 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, 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.
- In the Korea investigation, Commerce preliminarily determined that mandatory respondents NEXTEEL Co. Ltd. and SeAH Steel Corporation received subsidy rates of 0.47 percent and 0.52 percent, respectively. These rates are considered de minimis under U.S. law, resulting in a negative preliminary determination that applies to the country as a whole.
- In the Turkey investigation, Commerce preliminarily determined that mandatory respondents Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and Tosyali Dis Ticaret A.S. received subsidy rates of 8.85 percent and 3.76 percent, respectively. All other producers/exporters in Turkey have been assigned a preliminary subsidy rate of 4.36 percent.
- As a result of the preliminary affirmative determination for Turkey, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates.
- As a result of the negative preliminary determination for Korea, no cash deposit will be required for imports of welded line pipe from Korea.
- 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 2014, imports of welded line pipe from Korea and Turkey were valued at an estimated \$543.6 million and \$94.7 million, respectively.

NEXT STEPS

- Commerce has aligned these CVD investigations with the concurrent antidumping duty investigations of welded line pipe from Turkey and Korea, and is scheduled to announce its final determinations on or about July 29, 2015, unless the statutory deadline is extended.
- If Commerce makes affirmative final CVD determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of welded line pipe from Korea and/or Turkey materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce's or the ITC's final determinations are negative, no CVD orders will be issued. The ITC is currently scheduled to make its final injury determinations in September 2015.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	NEXTEEL Co. Ltd.	0.47% <i>(de minimis)*</i>
	SeAH Steel Corporation	0.52% <i>(de minimis)*</i>

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

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Turkey	Borusan Mannesmann Boru Sanayi ve Ticaret A.S.	8.85%
	Tosyali Dis Ticaret A.S.	3.76%
	All Others	4.36%

CASE CALENDAR:

EVENT	DATE
Petitions Filed	October 16, 2014
DOC Initiation Date	November 5, 2014
ITC Preliminary Determination	December 1, 2014
DOC Preliminary Determination	March 16, 2015
DOC Final Determination[^]	July 28, 2015^{***}
ITC Final Determination[*]	September 11, 2015^{***}
Issuance of Order^{**}	September 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. These deadlines may be extended under certain circumstances.

[^]The final CVD determinations have been aligned with the final determinations in the concurrent antidumping duty investigations.

^{*}This will take place only in the event of final affirmative determinations by Commerce.

^{**}This will take place only in the event of final affirmative determinations by Commerce and the ITC.

^{***}These dates are estimated as they are dependent upon the publication date of Commerce's preliminary determinations.

IMPORT STATISTICS:

KOREA	2012	2013	2014
Volume (metric tons)	679,500	656,600	702,600
Value (USD)	655,041,000	554,057,000	543,600,000
TURKEY	2012	2013	2014
Volume (metric tons)	60,300	59,900	78,100
Value (USD)	52,482,000	46,724,000	94,717,000

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.