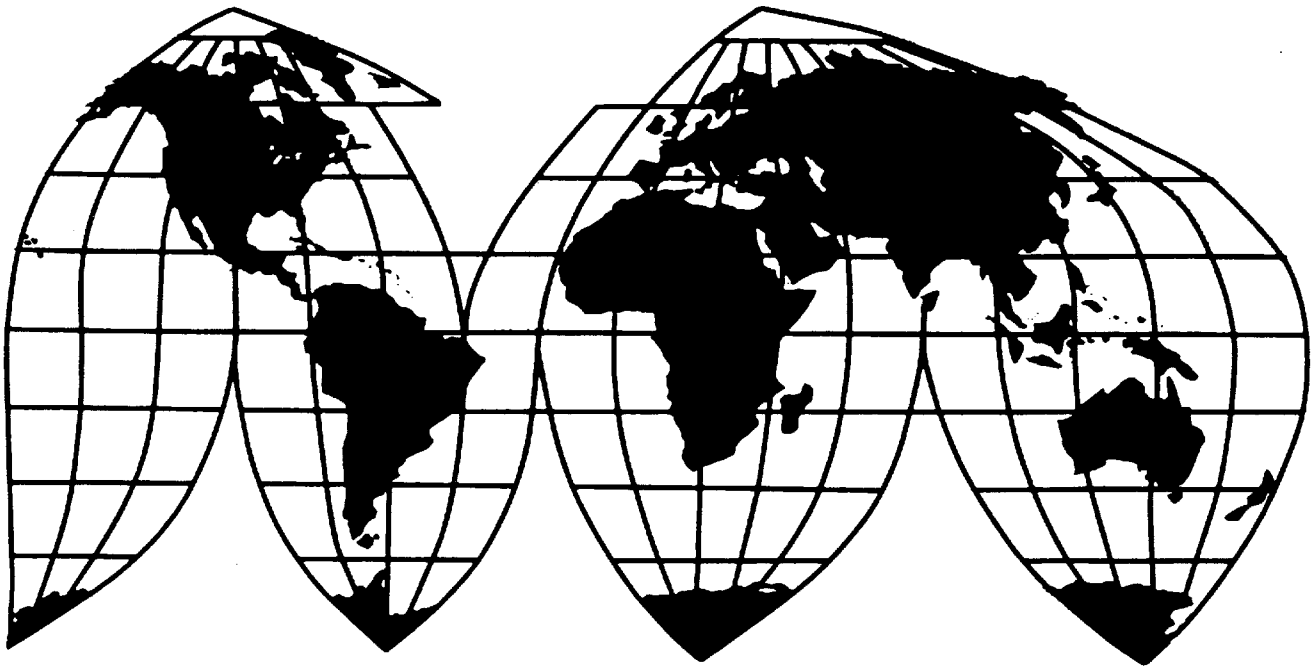
# Certain Pipe and Tube From Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey

Investigation Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 409, 410, 532-534 and 536 (Second Review)

**Publication 3867** **July 2006**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission


**COMMISSIONERS**

**Daniel R. Pearson, Chairman**
**Deanna Tanner Okun, Vice Chairman**
**Jennifer A. Hillman**
**Charlotte R. Lane**
**Daniel R. Pearson**
**Shara L. Aranoff**

Robert A. Rogowsky
***Director of Operations***


Staff assigned

Russell Duncan, *Investigator*
Norman Van Toai, *Industry Analyst*
Clark Workman, *Economist*
*Cathy DeFilippo, Economist*
*Mary Klir, Accountant*
*Mark Bernstein, Attorney*
*Monica Stump, Attorney*
*Mara Alexander, Statistician*

*Douglas Corkran, Supervisory Investigator*


**Address all communications to**
**Secretary to the Commission**
**United States International Trade Commission**
**Washington, DC 20436**

# U.S. International Trade Commission

Washington, DC 20436
*www.usitc.gov*

# Certain Pipe and Tube From Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey

Investigation Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 409, 410, 532-534 and 536 (Second Review)

**Publication 3867**

**July 2006**

## CONTENTS


| | *Page* |
|---|---|
| **Determinations and views** | |
| Determinations | 1 |
| Views of the Commission | 3 |
| Additional and dissenting views of Commissioners Koplan and Lane | 47 |
| **Introduction and overview** | OVERVIEW-1 |
| Background | OVERVIEW-1 |
| The original investigations | OVERVIEW-1 |
| The first reviews | OVERVIEW-3 |
| Previous and related Title VII investigations | OVERVIEW-4 |
| Previous and related safeguard investigations | OVERVIEW-5 |
| Statutory criteria and organization of the report | OVERVIEW-7 |
| Statutory criteria | OVERVIEW-7 |
| Organization of the report | OVERVIEW-9 |


## CIRCULAR WELDED PIPE AND TUBE


| | |
|---|---|
| **Part CIRCULAR-I: Introduction and overview** | |
| General information | CIRCULAR-I-1 |
| Commerce's reviews | CIRCULAR-I-5 |
| Administrative reviews | CIRCULAR-I-5 |
| Expedited reviews | CIRCULAR-I-6 |
| Distribution of Continued Dumping and Subsidy Offset Act funds | CIRCULAR-I-8 |
| The subject merchandise | CIRCULAR-I-10 |
| Commerce's scope | CIRCULAR-I-10 |
| Tariff treatment | CIRCULAR-I-13 |
| The domestic like product | CIRCULAR-I-14 |
| Physical characteristics and uses | CIRCULAR-I-14 |
| Manufacturing process | CIRCULAR-I-16 |
| Channels of distribution | CIRCULAR-I-18 |
| U.S. market participants | CIRCULAR-I-18 |
| U.S. producers | CIRCULAR-I-18 |
| U.S. importers | CIRCULAR-I-20 |
| U.S. purchasers | CIRCULAR-I-22 |
| Apparent U.S. consumption and market shares | CIRCULAR-I-24 |

***Page***

**Part CIRCULAR-II: Conditions of competition in the U.S. market**
Market characteristics . . . . . CIRCULAR-II-1
Supply and demand considerations . . . . . CIRCULAR-II-2
U.S. supply . . . . . CIRCULAR-II-2
U.S. demand . . . . . CIRCULAR-II-3
Substitutability issues . . . . . CIRCULAR-II-5
Factors affecting purchasing decisions . . . . . CIRCULAR-II-5
Comparisons of domestic products and subject imports . . . . . CIRCULAR-II-6
Comparisons of domestic products and nonsubject imports . . . . . CIRCULAR-II-8
Subject vs. nonsubject imports . . . . . CIRCULAR-II-9
Comparisons of subject products from different subject countries . . . . . CIRCULAR-II-9
Elasticity estimates . . . . . CIRCULAR-II-9
U.S. supply elasticity . . . . . CIRCULAR-II-9
U.S. demand elasticity . . . . . CIRCULAR-II-9
Substitution elasticity . . . . . CIRCULAR-II-10

**Part CIRCULAR-III: Condition of the U.S. industry**
U.S. producers' capacity, production, and capacity utilization . . . . . CIRCULAR-III-1
U.S. producers' domestic shipments, company transfers, and export shipments . . . CIRCULAR-III-6
U.S. producers' inventories . . . . . CIRCULAR-III-7
U.S. producers' purchases . . . . . CIRCULAR-III-7
U.S. producers' employment, wages, and productivity . . . . . CIRCULAR-III-8
Financial experience of the U.S. producers . . . . . CIRCULAR-III-8
Background . . . . . CIRCULAR-III-8
Operations on circular welded pipe and tube . . . . . CIRCULAR-III-9
Capital expenditures and research and development expenses . . . . . .CIRCULAR-III-11
Assets and return on investment . . . . . .CIRCULAR-III-12

***Page***

**Part CIRCULAR-IV: U.S. imports and the foreign industries**
U.S. imports . . . . . CIRCULAR-IV-1
Cumulation considerations . . . . . CIRCULAR-IV-8
Geographic markets . . . . . CIRCULAR-IV-8
Presence in the market . . . . . CIRCULAR-IV-9
U.S. importers' inventories . . . . . CIRCULAR-IV-11
Subject country producers . . . . . CIRCULAR-IV-12
The industry in Brazil . . . . . CIRCULAR-IV-12
Circular welded pipe operations in Brazil . . . . . CIRCULAR-IV-12
The industry in India . . . . . CIRCULAR-IV-14
Circular welded pipe operations in India . . . . . CIRCULAR-IV-15
The industry in Korea . . . . . CIRCULAR-IV-17
Circular welded pipe operations in Korea . . . . . CIRCULAR-IV-17
The industry in Mexico . . . . . CIRCULAR-IV-18
Circular welded pipe operations in Mexico . . . . . CIRCULAR-IV-19
The industry in Taiwan . . . . . CIRCULAR-IV-21
Circular welded pipe operations in Taiwan . . . . . CIRCULAR-IV-21
The industry in Thailand . . . . . CIRCULAR-IV-22
Circular welded pipe operations in Thailand . . . . . CIRCULAR-IV-22
The industry in Turkey . . . . . CIRCULAR-IV-24
Circular welded pipe operations in Turkey . . . . . CIRCULAR-IV-24
Global market . . . . . CIRCULAR-IV-28
Supply . . . . . CIRCULAR-IV-28
Demand . . . . . CIRCULAR-IV-31
Prices . . . . . CIRCULAR-IV-31

**Part CIRCULAR-V: Pricing and related information**
Factors affecting prices . . . . . CIRCULAR-V-1
Raw material costs . . . . . CIRCULAR-V-1
Transportation costs to the U.S. market . . . . . CIRCULAR-V-2
Inland transportation costs . . . . . CIRCULAR-V-2
Safeguard measures on standard pipe . . . . . CIRCULAR-V-3
Exchange rates . . . . . CIRCULAR-V-3
Pricing practices . . . . . CIRCULAR-V-7
Price data . . . . . CIRCULAR-V-8
Price trends . . . . . CIRCULAR-V-9
Price comparisons . . . . . CIRCULAR-V-15

## LIGHT-WALLED RECTANGULAR PIPE AND TUBE


| | *Page* |
|---|---|
| **Part LWR-I: Introduction and overview** | |
| General information | LWR-I-1 |
| Commerce's reviews | LWR-I-4 |
| Administrative reviews | LWR-I-4 |
| Expedited reviews | LWR-I-4 |
| Distribution of Continued Dumping and Subsidy Offset Act funds | LWR-I-4 |
| The subject merchandise | LWR-I-5 |
| Commerce's scope | LWR-I-5 |
| Tariff treatment | LWR-I-5 |
| The domestic like product | LWR-I-6 |
| Physical characteristics and uses | LWR-I-6 |
| Manufacturing process | LWR-I-8 |
| Channels of distribution | LWR-I-9 |
| U.S. market participants | LWR-I-9 |
| U.S. producers | LWR-I-9 |
| U.S. importers | LWR-I-10 |
| U.S. purchasers | LWR-I-11 |
| Apparent U.S. consumption and market shares | LWR-I-12 |
| **Part LWR-II: Conditions of competition in the U.S. market** | |
| U.S. market characteristics | LWR-II-1 |
| Supply and demand considerations | LWR-II-1 |
| U.S. supply | LWR-II-1 |
| U.S. demand | LWR-II-3 |
| Substitutability issues | LWR-II-4 |
| Factors affecting purchasing decisions | LWR-II-5 |
| Comparisons of domestic products and subject imports | LWR-II-5 |
| Comparisons of domestic products and nonsubject imports | LWR-II-7 |
| Subject vs. nonsubject imports | LWR-II-8 |
| Comparisons of subject products from different subject countries | LWR-II-8 |
| Elasticity estimates | LWR-II-8 |
| U.S. supply elasticity | LWR-II-8 |
| U.S. demand elasticity | LWR-II-9 |
| Substitution elasticity | LWR-II-9 |
| **Part LWR-III: Condition of the U.S. industry** | |
| U.S. producers' capacity, production, and capacity utilization | LWR-III-1 |
| U.S. producers' domestic shipments, company transfers, and export shipments | LWR-III-4 |
| U.S. producers' inventories | LWR-III-6 |
| U.S. producers' purchases | LWR-III-6 |
| U.S. producers' employment, wages, and productivity | LWR-III-6 |
| Financial experience of U.S. producers | LWR-III-7 |
| Background | LWR-III-7 |
| Operations on LWR pipe and tube | LWR-III-7 |
| Capital expenditures and research and development expenses | LWR-III-10 |
| Assets and return on investment | LWR-III-11 |

***Page***

**Part LWR-IV: U.S. imports and the foreign industries**


U.S. imports . . . . . LWR-IV-1
U.S. importers' inventories . . . . . LWR-IV-5
Cumulation considerations . . . . . LWR-IV-5
Geographic markets . . . . . LWR-IV-5
Presence in the market . . . . . LWR-IV-6
Subject country producers . . . . . LWR-IV-6
The industry in Argentina . . . . . LWR-IV-6
LWR pipe and tube operations in Argentina . . . . . LWR-IV-7
The industry in Taiwan . . . . . LWR-IV-8
LWR pipe and tube operations in Taiwan . . . . . LWR-IV-8


**Part LWR-V: Pricing and related information**


Factors affecting prices . . . . . LWR-V-1
Raw material costs . . . . . LWR-V-1
Transportation costs to the U.S. market . . . . . LWR-V-2
Inland transportation costs . . . . . LWR-V-2
Safeguard measures on standard pipe . . . . . LWR-V-2
Exchange rates . . . . . LWR-V-2
Pricing practices . . . . . LWR-V-4
Price data . . . . . LWR-V-4
Price trends . . . . . LWR-V-5
Price comparisons . . . . . LWR-V-5


**Appendixes**


A. *Federal Register* notices and statement on adequacy . . . . . A-1
B. Hearing witnesses . . . . . B-1
C. Summary data . . . . . C-1
D. U.S. producers', importers', purchasers', and foreign producers' comments regarding the effects of the orders and the likely effects of revocation . . . . . D-1
E. Supplemental information on subject foreign industries . . . . . E-1


Note.--Information that would reveal confidential operations of individual concerns has been replaced by asterisks.

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

Investigation Nos. 701–TA–253 and
731–TA–132, 252, 271, 273, 409, 410, 532–534, and 536 (Second Review)

Certain Pipe and Tube from Argentina, Brazil,
India, Korea, Mexico, Taiwan, Thailand, and Turkey

## DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the countervailing duty order on circular welded pipe and tube from Turkey; the antidumping duty orders on circular welded pipe and tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey; and the antidumping duty order on light-walled rectangular pipe and tube from Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determines that revocation of the antidumping duty order on light-walled rectangular pipe and tube from Argentina would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

## BACKGROUND

The Commission instituted these reviews on July 1, 2005 (65 F.R. 38204) and determined on October 4, 2005 that it would conduct full reviews (70 F.R. 60367, October 17, 2005). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on December 5, 2005 (70 F.R. 72467).[3] The hearing was held in Washington, DC, on May 9, 2006, and all persons who requested the opportunity were permitted to appear in person or by counsel.

---

[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

[2] Commissioners Stephen Koplan and Charlotte R. Lane dissenting.

[3] The Commission revised its schedule in these reviews on June 2, 2006 (71 F.R. 33484, June 9, 2006).

# VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the countervailing duty order on circular, welded, non-alloy steel pipes and tubes ("CWP") from Turkey and revocation of the antidumping duty orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand and Turkey would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We determine that revocation of the antidumping duty order on light-walled rectangular pipes and tubes ("LWR") from Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further determine that revocation of the antidumping duty order on LWR from Argentina would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

## I. BACKGROUND

On April 17, 1984, the Commission determined that an industry in the United States was materially injured by reason of less than fair value (LTFV) imports of certain small diameter circular welded carbon steel pipes and tubes from Taiwan.[2] Commerce imposed an antidumping duty order on imports of certain small diameter circular welded carbon steel pipes and tubes from Taiwan on May 7, 1984.[3] On February 12, 1986, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of subsidized imports from Turkey and LTFV imports from Thailand of welded carbon steel standard pipes and tubes.[4] Commerce imposed antidumping and countervailing duty orders on these products on March 7, 1986 and March 11, 1986.[5] On April 21, 1986, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of standard pipes and tubes from India and Turkey.[6] Commerce imposed antidumping duty orders on these products on May 12 and May 15, 1986.[7] On October 20, 1992, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of standard and structural pipes and tubes from

---

[1] Commissioner Koplan and Commissioner Lane determine that revocation of the antidumping duty order on LWR from Argentina would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See Additional and Dissenting Views of Commissioners Koplan and Lane. They join sections I, II, and III of this opinion.

[2] Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-131, 132, and 138 (Final), USITC Pub. 1519 (Apr. 1984) ("1984 Taiwan Determination").

[3] 49 Fed. Reg. 19369 (May 7, 1984).

[4] Certain Welded Carbon Steel Pipes and Tubes from Turkey and Thailand, Inv. Nos. 701-TA-253 and 731-TA-252 (Final), USITC Pub. 1810 (Feb. 1986) ("1986 Thailand Determination").

[5] 51 Fed. Reg. 8341 (Mar. 11, 1986) (Thailand); 51 Fed. Reg. 7984 (Mar. 7, 1986) (Turkey).

[6] Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, and Turkey, Inv. Nos. 731-TA-271-273 (Final), USITC Pub. 1839 (Apr. 1986) ("1986 India Determination").

[7] 51 Fed. Reg. 17784 (May 15, 1986) (Turkey); 51 Fed. Reg. 17384 (May 12, 1986) (India).

Brazil, Korea, Mexico, Taiwan, and Venezuela.[8] On November 2, 1992, Commerce imposed antidumping duty orders on these products.[9]

On March 15, 1989, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of LWR from Taiwan.[10] Commerce imposed an antidumping duty order on this product on March 27, 1989.[11] On May 9, 1989, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of LWR from Argentina.[12] Commerce imposed an antidumping duty order on this product on May 26, 1989.[13]

In June 2000, the Commission determined that revocation of the countervailing duty order on CWP from Turkey and the antidumping duty orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[14] It further determined that revocation of the antidumping duty orders on LWR from Argentina and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[15] On August 22, 2000, Commerce published notice of continuation of the countervailing duty order on CWP from Turkey, the antidumping duty orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, and the antidumping duty orders on LWR from Argentina and Taiwan.[16]

On July 1, 2005, the Commission instituted these five-year reviews pursuant to section 751(c) of the Act to determine whether revocation of the countervailing duty order on CWP from Turkey, the antidumping duty orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, and the antidumping duty orders on LWR from Argentina and Taiwan would likely lead to continuation or recurrence of material injury.[17] A group of 12 domestic producers of CWP and LWR ("Domestic Producers"); Hylsa, S.A. de C.V., a producer and exporter of CWP from Mexico; one additional producer of CWP from Mexico; two importers of CWP from Mexico; and two producers of CWP from Turkey filed adequate responses to the notice of institution. On October 4, 2005, the Commission found the domestic interested party group response was adequate with respect to all orders, that the respondent interested party group response was adequate in the reviews concerning the antidumping

---

[8] Certain Circular, Welded, Non-Alloy Steel Pipes and Tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, Inv. Nos. 731-TA-532-537 (Final), USITC Pub. 2564 (Oct. 1992) ("1992 CWP Determination").

[9] 57 Fed. Reg. 49453 (Nov. 2, 1992).

[10] Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731-TA-410 (Final), USITC Pub. 2169 (Mar. 1989) ("1989 LWR from Taiwan Determination").

[11] 54 Fed. Reg. 12467 (Mar. 27, 1989).

[12] Certain Light-Walled Rectangular Pipes and Tubes from Argentina, Inv. No. 731-TA-409 (Final), USITC Pub. 2187 (May 1989) ("1989 Argentina Determination").

[13] 54 Fed. Reg. 22794 (May 26, 1989).

[14] Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela, Inv. Nos. 701-TA-253, 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, 537 (Review), USITC Pub. 3316 at 3 (July 2000) ("2000 Sunset Determination"). The Commission made a negative determination on an antidumping duty order concerning CWP from Venezuela. Id.

[15] 2000 Sunset Determination, USITC Pub. 3316 at 3. The Commission made a negative determination on an antidumping duty order concerning LWR from Singapore. Id.

[16] 65 Fed. Reg. 50955 (Aug. 22, 2000).

[17] 70 Fed. Reg. 38204 (July 1, 2005).

duty order on CWP from Mexico and the antidumping and countervailing duty orders on CWP from Turkey, and that the respondent interested party group response was inadequate in the reviews concerning CWP from Brazil, India, Korea, Taiwan, and Thailand and in both LWR reviews. The Commission decided to conduct full reviews concerning the orders on CWP from Mexico and Turkey in light of the adequate domestic interested party and respondent interested party group responses. It decided to conduct full reviews concerning the remaining CWP orders and the LWR orders, notwithstanding the inadequate respondent interested party responses, to promote administrative efficiency.[18]

A number of respondent interested parties did not provide questionnaire responses and/or participate in these reviews. In particular, no Brazilian producer of CWP or Taiwan producers of CWP or LWR responded to the Commission's foreign producers' questionnaire.[19] The Commission received complete questionnaire responses from only one producer of CWP apiece in three subject countries: India, Korea, and Thailand.[20] By contrast, the Commission received more extensive coverage of CWP producers in Mexico and Turkey and LWR producers in Argentina. Accordingly, where appropriate, we have relied on the facts available in these reviews, which consist primarily of the evidence in the record from the Commission's original investigations and first reviews, the information collected by the Commission since the institution of these reviews, and information submitted by parties in these reviews.[21] [22]

---

[18] See Explanation of Commission Determination on Adequacy in Certain Pipe and Tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand and Turkey, reprinted in Confidential Report (CR) and Public Report (PR), Appendix A. The Commission's Confidential Report was revised by Memoranda INV-DD-093 (June 20, 2006) and INV-DD-100 (June 28, 2000). All revisions are reflected in these Views and incorporated in the Public Report.

[19] CR at CIRCULAR-IV-15, CIRCULAR-IV-35, LWR-IV-15-16, PR at CIRCULAR-IV-12, CIRCULAR-IV-22, LWR-IV-9.

[20] CR at CIRCULAR-IV-19, CIRCULAR-IV-25, CIRCULAR-IV-37, PR at CIRCULAR-IV-16, CIRCULAR-IV-18, CIRCULAR-IV-23.

[21] In our determinations in the CWP reviews and in the review concerning LWR from Taiwan, we have based our determinations on the facts available without taking adverse inferences, notwithstanding that Domestic Producers and U.S. Steel advocated that we take such inferences. With respect to the review concerning LWR from Argentina, there are no known foreign producers that did not respond to the Commission's questionnaire against which the Commission could take an adverse inference. See CR at LWR-IV-9-10, PR at LWR-IV-7.

[22] Section 751(c)(3) of the Act and the Commission's regulations provide that in an expedited five-year review, the Commission may issue a final determination "based on the facts available, in accordance with section 776 of the Act." Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. 19 U.S.C. § 1675(e). She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties' suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. "In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive." SAA at 869.

## II. DOMESTIC LIKE PRODUCT AND INDUSTRY

### A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the "domestic like product" and the "industry."[23] The Act defines the "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[24] The Commission's practice in five-year reviews is to look to the like product definition from the original determination and any previous reviews and consider whether the record indicates any reason to revisit that definition.[25]

*Scope Determinations*. Commerce has used several different formulations in defining the imported products subject to the individual CWP orders under review. The 1984 antidumping duty order with respect to Taiwan encompasses only circular carbon welded steel pipe between 0.375 inches and 4.5 inches in outside diameter.[26] The 1992 antidumping duty order with respect to Taiwan encompasses product over 4.5 inches, but not more than 16 inches, in diameter, and contains numerous exclusions.[27] The remaining CWP orders generally encompass circular welded non-alloy steel pipes not more than 16 inches in outside diameter, but have varying specifications concerning outside wall thickness and differing exclusions.[28]

In both of the LWR orders under review, Commerce defined the subject merchandise as:

> light-walled welded carbon steel tubing of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch. The subject merchandise is classifiable under item 7306.60.50.00 of the Harmonized Tariff System of the United States.[29]

*Prior Determinations*. In each of the original CWP investigations, the Commission defined a domestic like product corresponding to CWP. The CWP like products that the Commission defined generally conformed with the scope definitions Commerce published for the individual investigations,

---

[23] 19 U.S.C. § 1677(4)(A).

[24] 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[25] See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan and the United Kingdom, USITC Pub. 3788 at 6; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) at 4.

[26] See 65 Fed. Reg. 50958 (Aug. 22, 2000), reprinted in CR at CIRCULAR-I-13, PR at CIRCULAR-I-11. The scope definitions appear in full in the Commission Report and will not be reproduced here.

[27] See 65 Fed. Reg. 50957 (Aug. 22, 2000), reprinted in CR at CIRCULAR-I-13, PR at CIRCULAR-I-11.

[28] See 65 Fed. Reg. 50957 (Aug. 22, 2000), reprinted in CR at CIRCULAR-I-12, PR at CIRCULAR-I-10 (Brazil, Korea, and Mexico); 65 Fed. Reg. 50956 (Aug. 22, 2000), reprinted in CR at CIRCULAR-I-12, PR at CIRCULAR-I-10 (India); 65 Fed. Reg. 50957 (Aug. 22, 2000), reprinted in CR at CIRCULAR-I-13, PR at CIRCULAR-I-11 (Thailand); 65 Fed. Reg. 50961 (Aug. 22, 2000), reprinted in CR at CIRCULAR-I-14, PR at CIRCULAR-I-12 (Turkey CVD); 65 Fed. Reg. 50957 (Aug. 22, 2000), reprinted in CR at CIRCULAR-I-14, PR at CIRCULAR-I-12 (Turkey AD).

[29] 65 Fed. Reg. 50956 (Aug. 22, 2000).

with two principal exceptions. In the 1992 investigation concerning CWP from Taiwan, the Commission included CWP between 0.375 and 4.5 inches in diameter (which Commerce had excluded from the scope of the Taiwan investigation because it was already covered by the 1984 antidumping duty order) in the domestic like product. Additionally, in the 1992 investigation concerning Taiwan, and in the original investigations concerning CWP from Brazil, Korea, and Mexico, the Commission identified finished conduit and mechanical tubing, which were not entirely excluded from the scope of investigation, as separate like products.[30]

Because of differences among the CWP scope definitions in the original investigations concerning wall thicknesses and excluded products, the domestic like products the Commission defined in individual CWP investigations differed in some respects. In the first five-year reviews, the Commission reconsidered its original domestic like product determinations at the urging of all parties expressing a position on the issue. It determined to define a single domestic like product in all the CWP reviews consisting of all circular, welded, non-alloy steel pipes and tubes not more than 16 inches in outside diameter.[31]

In both of the original LWR investigations, the Commission defined the pertinent domestic like product as LWR, coextensive with the scope definition. No party requested that the Commission revisit the LWR domestic like product definition in the first five-year reviews. Accordingly, the Commission again defined the domestic like product in the first LWR five-year reviews as light-walled rectangular pipes and tubes. It also determined that LWR and CWP were separate domestic like products.[32]

*Conclusion*. In these second five-year reviews, no party has argued for different domestic like product definitions from those in the first five-year reviews.[33] The record contains no information indicating that the characteristics of either CWP or LWR have changed since the time of the first reviews.[34] Accordingly, we again define the domestic like products in the same manner as we did in the first reviews. We define the domestic like product corresponding to the CWP orders under review to be all circular, welded, non-alloy steel pipes and tubes not more than 16 inches in outside diameter, and the domestic like product corresponding to the LWR orders under review to be light-walled rectangular pipes and tubes.

### B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[35]

---

[30] See 2000 Sunset Determination, USITC Pub. 3316 at 11-12 & n.52.

[31] 2000 Sunset Determination, USITC Pub. 3316 at 11-12.

[32] 2000 Sunset Determination, USITC Pub. 3316 at 14 & n.67.

[33] Domestic Producers contend that the Commission should define the domestic like products in the same manner that it did in the first five-year reviews. In other words, the Commission should again define CWP of not more than 16 inches in diameter as the domestic like product in all CWP reviews and should define LWR as the domestic like product in both LWR reviews. Domestic Producers Prehearing Brief at 3-4. Hylsa and Siderar, S.A.I.C., a producer and exporter of LWR from Argentina, did not address the issue of domestic like product in their written submissions or hearing testimony. The other respondent interested parties that submitted responses to the notice of institution similarly did not address the issue of domestic like product.

[34] See CR at CIRCULAR-I-16-22, LWR-I-7-10, PR at CIRCULAR-I-14-18, LWR-I-6-9.

[35] 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively

(continued...)

*CWP*. The Commission's original determinations defined the domestic industries corresponding to the CWP orders as encompassing all domestic producers of CWP.[36] In the first five-year reviews, the Commission also defined the domestic CWP industry as encompassing all U.S. producers of CWP.[37] In their response to the notice of institution, Domestic Producers indicate that they agree with the Commission's prior definition of the domestic industry.[38] The other parties in these second reviews have not addressed the issue.

These reviews pose the question whether appropriate circumstances exist to exclude domestic producer Tex-Tube from the domestic CWP industry pursuant to the statutory related parties provision.[39] Tex-Tube is a related party because it shares common ownership with an exporter and an importer of subject CWP from Mexico.[40] We conclude that appropriate circumstances do not exist to exclude Tex-

---

[35] (...continued)
consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

[36] There was no discussion of related party issues in any of the original determinations. See 1984 Taiwan Determination, USITC Pub. 1519 at 4; 1986 Thailand Determination, USITC Pub. 1810 at 7; 1986 India Determination, USITC Pub. 1839 at 6-7; 1992 CWP Determination, USITC Pub. 2564 at 8.

[37] The Commission concluded that appropriate circumstances did not exist to exclude one related party producer from the domestic CWP industry. 2000 Sunset Determination, USITC Pub. 3316 at 18-19.

[38] Domestic Producers Response to Notice of Institution at 30.

[39] Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers. The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include:

(1) the percentage of domestic production attributable to the importing producer;
(2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and
(3) the position of the related producer vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry.

See, e.g., Mineral Products v. United States, Slip Op. 04-134 (Ct. Int'l Trade Nov. 2, 2004) at 9; Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993).

[40] Tex-Tube, S&P Steel Products and Services, an importer of subject merchandise from Mexico, and Tuberica National, S.A. de C.V. ("TuNa"), a producer and exporter of subject merchandise from Mexico, are all under the common ownership of the Villacero Group. http://www.villacero.com/english/negrocios_transformacion_tt.html; http://www.villacero.com/english/negrocios_transformacion_tuna.html; http://www.villacero.com/english/negrocios_comercializacion_sp.html (all pages visited and printed May 8, 2006). The statute states that a domestic producer and an exporter or importer of subject merchandise "shall be considered to be related parties, if . . . a third party directly or indirectly controls the producer and the exporter or importer." 19 U.S.C. § 1677(4)(B)(ii)(III). It further specifies that "a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party." 19 U.S.C. § 1677(4)(B)(ii). The record indicates that a third party, Villacero, controls Tex-Tube, S&P and TuNa.

Tube from the domestic CWP industry.[41] We accordingly define the domestic industry with respect to the CWP orders in these reviews as encompassing all U.S. producers of CWP.

*LWR*. In the original investigations and the first reviews, the Commission defined the domestic industry as encompassing all U.S. producers of LWR.[42] No party has argued for a different domestic industry definition in these reviews, nor does the record present any evidence suggesting that the Commission should define the domestic industry differently.[43] Consistent with our like product definition, we define the domestic industry with respect to the LWR orders in these reviews as encompassing all U.S. producers of LWR.

## III. REVIEWS ON ORDERS ON CIRCULAR WELDED PIPE

### A. Cumulation

#### 1. Overview

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[44]

Thus, cumulation is discretionary in five-year reviews. The Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to

---

[41] S&P and TuNa were each responsible for only *** quantities of shipments of subject merchandise to the United States during the period of review. TuNa exported ***. *** Foreign Producers Questionnaire at 12. S&P imported ***. *** Importers Questionnaire at 11. By contrast, Tex-Tube's annual domestic CWP production ranged from *** short tons in 2003 to *** short tons in 2000. CR/PR, Table CIRCULAR-III-8. Tex-Tube *** continuation of the order on CWP *** but *** continuation of the remaining CWP orders. CR/PR, Table CIRCULAR-I-10. Tex-Tube's operating performance in relationship to other domestic CWP producers varied; it was *** the average operating performance during *** of the seven years of the period of review, and *** the average during the other *** years. CR/PR, Table CIRCULAR-III-8. The record does not indicate that Tex-Tube's domestic CWP production operations have derived any significant benefit from the small quantities of subject merchandise imported or exported by its sibling firms, S&P and TuNa.

[42] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 4 (Views of Commissioners Brunsdale and Cass), 51 n.2 (Views of Commissioners Eckes and Newquist); 1989 Argentina Determination, USITC Pub. 2187 at 5 (Views of Commissioners Brunsdale and Cass), 16 (Views of Commissioners Eckes and Newquist); 2000 Sunset Determination, USITC Pub. 3316 at 16.

[43] See Domestic Producers Response to Notice of Institution at 30. There are no related party issues concerning LWR.

[44] 19 U.S.C. § 1675a(a)(7).

have no discernible adverse impact on the domestic industry.[45] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[46] With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.[47]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[48] Only a "reasonable overlap" of competition is required.[49] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[50]

---

[45] 19 U.S.C. § 1675a(a)(7).

[46] SAA, H.R. Rep. No. 103-316, vol. I (1994).

[47] For a discussion of the analytical framework of Commissioners Koplan and Hillman regarding the application of the "no discernible adverse impact" provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 2000). For a further discussion of Commissioner Koplan's analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

[48] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[49] See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, AG, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (Ct. Int'l Trade 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[50] See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int'l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int'l Trade 1988).

In the CWP reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied, as all the reviews were initiated on July 1, 2005.[51] Domestic Producers and U.S. Steel argue that the Commission should cumulate CWP imports from all subject countries. Hylsa argues that the Commission should not cumulate subject CWP imports from Mexico with subject CWP imports from any other source.

Because the original investigations were conducted several years apart, the first five-year reviews provided the Commission's initial opportunity to consider cumulation with respect to all CWP subject countries currently subject to review. The Commission first found that revocation of each of the CWP orders currently subject to review would have a discernible adverse impact on the domestic CWP industry. It directly rebutted arguments that had been made in this regard with respect to the orders on Korea, Mexico, and Turkey.[52] The Commission found a likely reasonable overlap of competition among imports from all sources subject to these reviews and between these imports and the domestic like product. It found that CWP, regardless of source, is a commodity product made to American Society for Testing and Material (ASTM) or similar specifications. It found likely geographic overlap on the basis that many domestic producers sold their products nationwide, and importers of subject merchandise were located throughout the United States. It also found that CWP, regardless of source, was principally sold through distributors.[53] The Commission also found that any differences in likely dumping margins, economic conditions, or export marketing patterns among the individual subject countries were outweighed by considerations supporting cumulation – particularly the commodity nature of the product and the existence of excess capacity in each subject country. It consequently did not find that any difference in likely conditions of competition was sufficient to warrant it to decline to exercise discretion to cumulate any individual subject country.[54] [55]

2. Likelihood of No Discernible Adverse Impact

We do not find that revocation of any of the CWP orders would likely have no discernible adverse impact on the domestic industry.

No party has argued that revocation of any of the individual antidumping duty orders on CWP from Brazil, India, Korea, Taiwan, Thailand, or Turkey, or the countervailing duty order on CWP from Turkey, will have no discernible adverse impact on the domestic CWP industry. Our review of the record indicates that there is no basis for concluding that revocation of any of these orders will likely have no discernible adverse impact. The information available indicates that the CWP industry in each of these subject countries has significant production capacity.[56] Each of these subject countries either has

---

[51] 70 Fed. Reg. 38101 (July 1, 2005).

[52] 2000 Sunset Determination, USITC Pub. 3316 at 26-30.

[53] 2000 Sunset Determination, USITC Pub. 3316 at 30-31.

[54] 2000 Sunset Determination, USITC Pub. 3316 at 31-32.

[55] In the first five-year reviews, Vice Chairman Okun and Commissioners Hillman and Askey did not cumulate subject imports from Mexico because they found that subject imports from Mexico would compete in the U.S. market under conditions of competition that were significantly different from those applicable to imports from other subject countries. The primary difference was that Mexico was exempted from the March 1, 2000 safeguard action on circular welded carbon quality line pipe (line pipe). Thus, its exclusion from that action was likely to provide an incentive to Mexican producers to shift production and exports to line pipe rather than CWP. Dissenting Views of Vice Chairman Okun and Commissioners Hillman and Askey with Respect to Mexico, 2000 Sunset Determination, USITC Pub. 3316 at 71-72. On March 1, 2003, the safeguard action on imports of line pipe terminated.

[56] Production of CWP in Brazil in 2004 (the most recent year for which data are available; comparable capacity

(continued...)

considerable unused capacity, or is anticipating an increase in capacity.[57] As discussed further below, CWP, regardless of source, is produced to standard specifications. Domestically produced CWP is highly substitutable with imports from each of the subject countries. Consequently, sustained underselling by even relatively small volumes of dumped or subsidized imports would be likely to have significant price-depressing or -suppressing effects. In light of these factors, we cannot conclude that revocation of any of the individual antidumping orders on CWP from Brazil, India, Korea, Taiwan, Thailand, or Turkey, or the countervailing duty order on CWP from Turkey, will likely have no discernible adverse impact.

Mexico is the sole subject country for which an argument has been asserted that revocation of an order under review will likely have no discernible adverse impact on the domestic CWP industry. Hylsa, which asserts this argument, focuses first on low current subject import volumes from Mexico. During the period of review, the quantity of subject CWP imports from Mexico during each calendar year was no greater than *** short tons.[58] The market penetration of subject imports from Mexico was less than *** percent during each calendar year of the period of review.[59] These figures, however, are not representative of Mexico's presence in the U.S. market prior to imposition of the antidumping duty order. Indeed, they are likely suppressed due to the presence of the order. During the original period of investigation, Mexico's import quantities were as great as 69,000 short tons in 1990, and its market penetration was as high as 3.2 percent in 1989 and 1990.[60]

We do not agree with Hylsa that the Mexican CWP industry lacks the ability to increase its exports of subject CWP to the United States upon revocation by the relatively small amount necessary, in light of the price sensitivity of CWP, to have a discernible adverse impact on the domestic industry. Reported unused CWP capacity in Mexico in 2005 was *** short tons, or *** percent of total capacity.[61] The amount of unused capacity is far greater than current subject import levels. We reject Hylsa's

---

[56] (...continued)
data are not available) was 325,000 short tons. CR/PR, Table CIRCULAR-IV-6. The information available indicates that CWP capacity in India in 2005 was approximately *** short tons. Derived from CR/PR, Table IV-7, CR at CIRCULAR-IV-22, CIRCULAR-IV-16. CWP capacity for Korea in 2005 reported by the sole producer to respond to the Commission questionnaire was *** short tons; there are likely several additional Korean producers of CWP. CR/PR, Table CIRCULAR-IV-9; CR at CIRCULAR-IV-23-25, PR at CIRCULAR-IV-17-18. Reported small-diameter CWP capacity for Taiwan in the 1984 original investigation was 518,000 short tons, and reported capacity in 1991 for larger diameter CWP represented an additional *** short tons. There is no basis on the current record to conclude that capacity in Taiwan has since declined. See CR at CIRCULAR-IV-34-35, PR at CIRCULAR-IV-21-22. Production of CWP in Thailand in 2005 is estimated at 977,000 short tons; the record lacks data to estimate a comparable figure for capacity. CR at CIRCULAR-IV-38, PR at CIRCULAR-IV-22. CWP capacity for Turkey in 2005 reported in response to the Commission questionnaires was 696,000 short tons. CR/PR, Table CIRCULAR-IV-15.

[57] See CR/PR, Table CIRCULAR-IV-6 (reported capacity utilization in Brazil in 2004 for all tubular products 55.8 percent); CR at CIRCULAR-IV-19-20, PR at CIRCULAR-IV-16 (Indian producer ***); CR/PR, Table CIRCULAR-IV-9 (reported 2005 CWP capacity utilization for one producer of *** percent in Korea); CR at CIRCULAR-IV-35, PR at CIRCULAR-IV-21 (in the 1992 original investigation concerning larger diameter CWP, reported capacity utilization for subject Taiwan producers in 1991 was *** percent); CR/PR, Table CIRCULAR-IV-13 (reported 2005 CWP capacity utilization for one producer of *** percent in Thailand); CR/PR, Table CIRCULAR-IV-15 (reported 2005 CWP capacity utilization of 54.5 percent in Turkey).

[58] CR/PR, Table CIRCULAR-IV-1.

[59] CR/PR, Table CIRCULAR-I-15.

[60] CR/PR, Table CIRCULAR-I-1. It is possible that the data from the original investigations concerning subject import volume may include modest quantities of nonsubject merchandise. See CR at CIRCULAR-IV-4, PR at CIRCULAR-IV-3-4.

[61] CR/PR, Table CIRCULAR-IV-11.

argument that this figure overstates actual unused capacity for CWP.[62] In fact, the figure likely understates actual unused CWP capacity, because the Commission did not receive questionnaire responses from all producers of CWP in Mexico.[63] Based on information that Hylsa itself submitted to the Commission, the 2004 CWP production of the three Mexican producers that reported CWP production in response to the Commission's foreign producer questionnaire accounted for *** percent of estimated total Mexican CWP production.[64] Hylsa further argues that the producer with the ***, is not likely to increase exports of CWP to the United States because of its corporate relationships and/or marketing arrangements with U.S. producers *** and ***.[65] This argument is not supported by the record.[66] In light of the size of the Mexican CWP industry, its presence in the U.S. market prior to

---

[62] Hylsa argues that the reported *** percent capacity utilization for CWP producers in Mexico in 2005 is "flawed" and that we should instead use the capacity utilization data for all welded pipe and tube products produced at the facilities at which CWP is produced. See Hylsa Final Comments at 3. The 2005 capacity utilization figure for all welded pipe and tube production in Mexico was *** percent. CR/PR, Table CIRCULAR-IV-12.

We conclude that the *** percent figure is the most probative data available concerning 2005 CWP capacity utilization in Mexico. First, the statute directs us to examine the likely discernible effects of subject imports, not of other categories of goods. Second, there is no basis in the record to assume that the Mexican CWP industry's capacity utilization should be the same as the capacity utilization for all welded pipe and tube production. Of the three Mexican producers that reported CWP data to the Commission, only *** provided reliable capacity data for CWP. The second producer, ***, included capacity data for mechanical tubing, consequently overstating its CWP capacity. The third producer, ***, which reported ***, reported ***. Consequently, staff adjusted the *** capacity data by attributing to each producer's CWP capacity the same proportion of overall welded pipe facility capacity that CWP production constituted of that producer's overall welded pipe production. These adjusted data were added to *** capacity to obtain the overall data in Table CIRCULAR-IV-11. The reason that the 2005 capacity utilization figure for welded pipe is greater than the 2005 capacity utilization figure for CWP is not a function of the staff's capacity allocation method. Rather, it reflects the fact that ***, which reported *** percent capacity utilization for its welded pipe operations in 2005, accounted for a significant proportion of overall 2005 welded pipe capacity, but accounted for *** CWP capacity that year because it had *** CWP production that year.

[63] See CR at CIRCULAR-IV-28-30, PR at CIRCULAR-IV-19-20.

[64] Derived from CR/PR, Table CIRCULAR-IV-11 and Hylsa Response to Notice of Institution at 6. 2004 is the most recent year for which the record contains an estimate of total Mexican CWP production.

[65] Hylsa Final Comments at 5.

[66] In neither its questionnaire response nor its response to the Commission's notice of institution in these reviews did *** identify its relationships with CWP producers in the United States as a factor that would restrain its likely CWP export volumes in the event of revocation. To the contrary, *** affiliated U.S. importer *** stated in its questionnaire response that revocation of the orders would, among other things, ***. *** Importers' Questionnaire (response to Question II-9).

Hylsa further argues that if *** desired to increase its U.S. exports, it could do so by exporting multiple-stenciled line pipe, which satisfies ASTM specifications for CWP but is not currently subject to antidumping duties. This argument overlooks the fact that multiple-stenciled line pipe requires additional steel than CWP to meet American Petroleum Institute (API) specifications applicable to line pipe. At current steel prices, this would require that a multiple-stenciled product be sold at a considerable price premium over a product that satisfies ASTM specifications but not API specifications. See Domestic Producers Posthearing Brief at A-8.

Finally, Hylsa overlooks the fact, explained above, that the three Mexican CWP producers that provided data in response to the Commission's foreign producer questionnaire account for considerably less than 100 percent of Mexican CWP production. While we are not taking adverse inferences against those Mexican CWP producers that did not respond to the foreign producers' questionnaire, we do infer, based on facts available, that the data supplied by the reporting Mexican CWP producers are applicable to the Mexican CWP industry as a whole. In other words, because the reporting producers had unused CWP production capacity, we infer that the producers that did not provide data to the Commission have unused capacity as well. Even assuming *arguendo* that *** relationships

(continued...)

imposition of the order, the availability of unused capacity, and the relatively small amount of additional subject import volumes needed to have a discernible adverse impact in light of the price-sensitive nature of CWP, we cannot conclude that revocation of the antidumping duty order on CWP from Mexico will likely have no discernible adverse impact.

### 3. Likelihood of a Reasonable Overlap of Competition

With regard to likely overlap of competition, we note that the relevant inquiry is whether there would likely be competition even if there are no current imports from a subject country.[67] Further, only a "reasonable overlap" of competition is required.[68] We next analyze the four factors the Commission typically examines in determining whether there will be a likely overlap of competition.

*Fungibility*. CWP generally is manufactured to standard specifications established by ASTM.[69] Substantial majorities of all types of market participants found domestically produced CWP at least frequently interchangeable with CWP from each subject country.[70] A majority of market participants who compared subject imports from different sources also found them to be at least frequently interchangeable.[71] The record contains purchasers' comparisons of various characteristics of domestically produced CWP and subject imports from four subject countries. Majorities or pluralities found the U.S. product, on the one hand, and the Korean, Mexican, Thai, or Turkish products, on the other, comparable in most non-price characteristics.[72]

*Geographic Overlap*. A majority of domestic CWP producers sell their products nationwide.[73] Several importers sell nationwide, or in multiple regions, as well.[74] Examination of purchasers' questionnaires indicates that purchasers located in multiple regions of the country purchased CWP imports from each subject country except Brazil.[75]

---

[66] (...continued)
with U.S. CWP producers or ability to export other products may inhibit its desire to export CWP to the United States, there is no basis to make a similar conclusion with respect to the nonreporting CWP producers that also possess unused capacity.

[67] See generally Chefline Corp. v. United States, 219 F. Supp.2d 1313, 1314 (Ct. Int'l Trade 2002).

[68] See Mukand Ltd. v. United States, 937 F. Supp. 910, 917 (Ct. Int'l Trade 1996).

[69] CR at CIRCULAR-I-16-18, PR at CIRCULAR-I-14-15.

[70] CR/PR, Table CIRCULAR-II-3.

[71] CR at CIRCULAR-II-14, PR at CIRCULAR-II-9.

[72] CR/PR, Table CIRCULAR-II-5. No purchaser provided the detailed factor comparisons requested by the questionnaire for CWP imports from Brazil, India, or Taiwan. Purchasers did, however, evaluate the interchangeability of the domestic like product with CWP imports from each subject country. CR/PR, Table CIRCULAR-II-3. In the original investigations, most purchasers rated the quality of subject imports from Brazil and Taiwan to be comparable with that of the domestic like product. 1992 CWP Determination, USITC Pub. 2564 at I-66. The report concerning the original investigation concerning India does not address this issue.

[73] CR at CIRCULAR-II-2, PR at CIRCULAR-II-1.

[74] CR at CIRCULAR-II-2, PR at CIRCULAR-II-1.

[75] Subject imports from India were purchased by purchasers located on both the East and West Coasts. *** Purchaser Questionnaires. Subject imports from Korea were purchased by purchasers nationwide. CR/PR, Table CIRCULAR-I-13. Subject imports from Mexico were purchased by purchasers in the East Coast and the Midwest. *** Purchaser Questionnaires. Subject imports from Taiwan were purchased by purchasers on the East and West Coasts. *** Purchaser Questionnaires. Purchasers located on the West Coast and in the Southeast purchased subject imports from Thailand. *** Purchaser Questionnaires. Subject imports from Turkey were purchased by purchasers
(continued...)

*Channels of Distribution*. During the period of review, the majority of both domestically produced CWP and the subject imports was sold by distributors.[76] This is the same distribution pattern observed in the prior investigations and reviews.[77]

*Simultaneous Presence*. During the last three years of the period of review, CWP imports from six of the seven subject countries were present during at least 25 of the 36 months. The exception was Brazil, which was present during only one month. During the entire seven-year period of review, monthly presence varied from one of 84 months (Brazil) to a presence in each of the 84 months (Korea).[78]

*Conclusion*. The only argument that has been asserted against a finding of likely reasonable overlap of competition is Hylsa's comment at the hearing that there will not be a likely geographic overlap, because CWP imports from Mexico are concentrated in those portions of the country adjacent to the Mexican border.[79] This assertion, which appears to disregard the distinction between where imports enter the country and where they are sold, is not corroborated by the record. The purchasers' questionnaire responses do not support the proposition that CWP imports from Mexico are currently concentrated in the portions of the country adjacent to the Mexican border. Instead, the available data indicate that imports from each individual subject country, including Mexico, that participated in the U.S. market during the period of review are purchased in multiple regions of the United States. We consequently find that there is currently, and will likely continue to be, a reasonable geographic overlap of competition among imports from different subject countries and between the subject imports and the domestic like product, which is sold nationwide.

Subject imports from six of the seven subject countries were present throughout the bulk of the latter portion of the period of review. While subject imports from Brazil were essentially absent from the U.S. market during the period of review, this appears to be due to imposition of the order. The relevant inquiry in a five-year review is whether subject imports likely would be simultaneously present if the orders were revoked. Because we have concluded that subject imports from Brazil will likely enter the U.S. market in sufficient quantities to have a discernible adverse impact on the domestic industry, it logically follows that such imports would likely enter the United States on a regular basis, as they did during the original investigation.

The record indicates that the other competition criteria are satisfied. Both domestically produced CWP and subject imports from all sources are fungible, and are primarily sold to distributors. We consequently conclude that the subject CWP imports from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey will likely compete with each other and with the domestic like product should the orders under review be revoked.

### 4. Other Considerations

In determining whether to exercise our discretion to cumulate subject imports of CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, we assess whether the subject imports from each country are likely to compete under similar or different conditions of competition in the U.S. market.

---

[75] (...continued)
located in the East, Midwest, and Southeast. *** Purchaser Questionnaires. No purchaser reported any purchases from Brazil; subject CWP imports from Brazil were essentially absent from the U.S. market during the period of review. CR/PR, Table CIRCULAR-I-14.

[76] CR/PR, Table CIRCULAR-I-9; CR at CIRCULAR-II-1, PR at CIRCULAR-II-1.

[77] See, e.g., 2000 Sunset Determination, USITC Pub. 3316 at 31.

[78] CR/PR, Table CIRCULAR IV-4.

[79] Tr. at 207-08 (Winton).

No party has argued that subject imports of CWP from Brazil, India, Korea, Taiwan, Thailand, or Turkey are likely to compete in the U.S. market under different conditions of competition from imports from any other subject source, and the record does not indicate that there will be any likely difference in conditions of competition between subject CWP imports from these sources.

Hylsa has pointed to several considerations that it maintains support a conclusion that subject CWP imports from Mexico will compete under different conditions of competition than subject CWP imports from the other six countries. It first maintains that subject import volumes from Mexico during the period of review were very low. This, however, does not distinguish Mexico from the other countries subject to CWP orders.[80] Hylsa further asserts that CWP from Mexico is priced much higher than CWP imports from all other subject countries. This assertion is unsupported by the record.[81] Hylsa also argues that an import surge is less likely from Mexico than the other subject countries because Mexican producers have the ability to ship small truckloads of product to the United States very quickly as demand conditions warrant. This, however, may indicate that Mexican producers have the ability to increase their presence in the market more quickly upon revocation than other subject producers. It does not mean that trends for subject imports from Mexico in the reasonably foreseeable future will likely differ from those for the other subject countries. In any event, the closer proximity of Mexican producers to the United States does not provide a sufficient basis for us not to cumulate subject imports from Mexico, given the general homogeneity of CWP from domestic and subject sources and the lack of any other significant differences in historical or likely trends. We consequently exercise our discretion to cumulate subject CWP imports from Brazil, India, Korea, Mexico, Thailand, Taiwan, and Turkey.

### B. Likelihood of Continuation or Recurrence of Material Injury

#### 1. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[82] The SAA states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[83] Thus, the

---

[80] Based on the tabulation in the Commission report, Mexico's annual subject import quantities ranked fourth among the seven CWP subject countries during four of the seven years of the period of review, fifth during two years, and a tie for fifth the remaining year. See CR/PR, Table CIRCULAR-I-14. Moreover, Mexico's volume trends during the original period of investigation were not sufficiently different from those of the other subject countries to warrant a conclusion that subject imports from Mexico are likely to compete under different conditions of competition. See CR/PR, Table CIRCULAR-I-1.

[81] The pricing data the staff collected permits 30 comparisons between subject imports from Mexico and other subject CWP imports. The Mexican product was priced higher in 20 of the comparisons, and lower in 10. CR/PR, Tables CIRCULAR-V-1, CIRCULAR-V-3.

[82] 19 U.S.C. § 1675a(a).

[83] SAA at 883-84. The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

likelihood standard is prospective in nature.[84] The U.S. Court of International Trade has found that "likely," as used in the sunset review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[85] [86] [87]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[88] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[89]

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[90] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[91]

---

[84] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

[85] See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), aff'd without opinion, 140 Fed.Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion"; "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int'l Trade Sept. 4, 2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); Usinor v. United States, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[86] For a complete statement of Commissioner Okun's interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the "Likely" Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

[87] Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade's interpretation of "likely," but she will apply the Court's standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

[88] 19 U.S.C. § 1675a(a)(5).

[89] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." Id.

[90] 19 U.S.C. § 1675a(a)(1).

[91] 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. CR at CIRCULAR-I-9, PR at CIRCULAR-I-7. The statute further provides that the presence or

(continued...)

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[92] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[93]

In evaluating the likely price effects of subject imports if the orders under review are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.[94]

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[95] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[96] As instructed by the statute, we have

---

[91] (...continued)
absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[92] 19 U.S.C. § 1675a(a)(2).

[93] 19 U.S.C. § 1675a(a)(2)(A-D).

[94] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[95] 19 U.S.C. § 1675a(a)(4).

[96] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce conducted expedited second five-year reviews of each of the CWP antidumping duty orders under review. In its review of the antidumping duty order on CWP from Brazil, Commerce found a likely dumping margin of 103.38 percent applicable to both one named exporter and all others. 70 Fed. Reg. 67662, 67663 (Nov. 8, 2005). In its review of the antidumping duty order on CWP from India, Commerce found a likely dumping margin of 7.08 percent applicable to both one named exporter and all others. Id. In its review of the antidumping duty order on CWP from Korea, Commerce found likely dumping margins ranging from 4.91 percent to 11.63 percent for four named exporters and of 6.37 percent for all others. Id. In its review of the antidumping duty order on CWP from Mexico,
(continued...)

considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[97]

2. Conditions of Competition and the Business Cycle

The following conditions of competition are relevant to our analysis of the CWP orders under review.

*Demand.* In the first five-year reviews, the Commission found that demand for CWP was generally dependent on the level of construction, particularly the level of spending on non-residential construction.[98] This continues to be true.[99] While during the first reviews both non-residential construction spending and apparent CWP consumption in the United States were increasing,[100] different conditions prevailed during the period examined for these reviews, which encompasses calendar years 1999 through 2005. During the period of review, total U.S. spending on public and private nonresidential construction, when adjusted for inflation, declined slightly.[101] Apparent U.S. consumption of CWP was lower in 2005 than in 1999, although it fluctuated on an annual basis. Apparent U.S. consumption of CWP increased from 2.35 million short tons in 1999 to a period high of 2.78 million short tons in 2000, then declined over the next three years, reaching a period low of 2.06 million short tons in 2003. Apparent U.S. consumption then increased to 2.42 million short tons in 2004 before declining to 2.34 million short tons in 2005.[102]

---

[96] (...continued)
Commerce found a likely dumping margin of 32.62 percent applicable to Hylsa and all others. Id. In its review of the antidumping duty orders on CWP from Taiwan, Commerce found likely dumping margins ranging from 9.70 percent to 43.70 percent for three named exporters, a 9.70 percent all others rate for the small-diameter CWP order, and a 23.56 percent all others rate for the order covering CWP over 4.5 but not over 16 inches in diameter. Id. In its review of the antidumping duty order on CWP from Thailand, Commerce found likely dumping margins ranging from 15.60 percent to 15.69 percent for two named exporters and of 15.67 percent for all others. Id. In its review of the antidumping duty order on CWP from Turkey, Commerce found likely dumping margins ranging from 1.26 percent to 23.12 percent for three named exporters and of 14.74 percent for all others. Id.

Commerce also conducted an expedited second five-year review of the countervailing duty order on CWP from Turkey. Commerce found a likely net countervailable subsidy rate of zero for Bant Boru, likely rates ranging from 0.68 percent to 2.89 percent for three other named exporters, and 2.90 percent for all others. 70 Fed. Reg. 62097, 62098 (Oct. 28, 2005). Commerce also concluded that three of the countervailable subsidies were export subsidies described in Article 3 of the WTO Agreement on Subsidies and Countervailing Measures (ASCM). See Memorandum from Gary Taverman to Joseph A. Spetrini (Oct. 21, 2005), referenced in 70 Fed. Reg. at 62098.

[97] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[98] 2000 Sunset Determination, USITC Pub. 3316 at 32.

[99] CR at CIRCULAR-II-6, PR at CIRCULAR-II-3.

[100] See 2000 Sunset Determination, USITC Pub. 3316 at 32-33.

[101] CR/PR, Figure CIRCULAR-II-1.

[102] CR/PR, Table CIRCULAR-I-15. "[N]onresidential construction tends to trail the economy into recessions and then trail the economy out of recessions, and so I think even though the recession may have ended in 2001 nonresidential construction and CWP consumption didn't really pick up until 2003 and then it has been improving at a moderate pace in the past couple of years. We would expect that to continue at a moderate pace until finally the
(continued...)

Information in the record indicates that the outlook for non-residential construction demand for the remainder of 2006 is relatively positive.[103] No party has argued that demand trends for CWP are likely to be positive beyond 2006, and projections concerning long-term interest rates and energy costs, which serve as indicators of overall economic activity, indicate that overall U.S. economic growth may slow during 2007 and 2008.[104] To the extent that non-residential construction demand is a function of overall U.S. economic growth, this suggests that demand for non-residential construction and hence demand for CWP may slow as well after 2006.

*Supply*. The Commission received usable responses from 20 U.S. producers of CWP.[105] There has been some consolidation of the industry since the first reviews: one domestic producer, Laclede, was liquidated after declaring bankruptcy in 2001;[106] a second, Newport, ceased CWP production in 2001;[107] a third, Copperweld, sold its CWP business to domestic producer Atlas in 2005.[108] A fourth, Sawhill, was purchased by Wheatland in 2002, but in 2006 Wheatland announced it would close one of the CWP mills it acquired from Sawhill.[109] Due to closures and rationalization, domestic CWP capacity declined by 10.1 percent between 1999 and 2005.[110] The two largest producers, Allied and Wheatland, accounted for approximately *** percent of domestic CWP production in 2005.[111]

U.S. producers of CWP typically produce other welded carbon tubular products in the same mills in which they produce CWP.[112] An industry representative testified that two of these products – oil country tubular goods (OCTG) and line pipe – sell for higher prices than does CWP.[113] The producers that produced both CWP and either OCTG or line pipe during the period of review represent fairly small proportions of overall CWP production. Those producers that produce both OCTG and CWP accounted for only *** percent of 2005 domestic CWP production, and those producers that produce both line pipe and CWP accounted for only *** percent of 2005 domestic CWP production.[114]

The primary raw material used in the production of CWP is hot-rolled steel.[115] Monthly spot prices for hot-rolled steel rose sharply during the second half of 2003 and the first half of 2004, when they reached a period high. Hot-rolled steel prices then declined during the latter portion of 2004 and early 2005, before rising in the latter portion of 2005 and early 2006.[116] U.S. Steel, which produces hot-rolled steel products as well as CWP, states that it anticipates obtaining ***. It states, however, that the outlook

---

[102] (...continued)
higher interest rates or whatever happens to the economy may cause it to turn back the other way. This is a very cyclical industry . . . because . . . nonresidential construction is very cyclical." Tr. at 51-52 (Schagrin).

[103] Domestic Producers Posthearing Brief at A-45-46.

[104] Domestic Producers Prehearing Brief, ex. 3 at 2-6; Tr. at 45-46 (Scott).

[105] CR at CIRCULAR-I-22, PR at CIRCULAR-I-18. The Commission also made use of historical data submitted in previous import injury investigations by three former producers.

[106] CR at CIRCULAR-III-2, PR at CIRCULAR-III-1.

[107] CR at CIRCULAR-III-3 n.10, PR at CIRCULAR-III-2 n.10.

[108] CR at CIRCULAR-III-3 n.10, PR at CIRCULAR-III-2 n.10.

[109] CR at CIRCULAR-III-2; PR at CIRCULAR-III-2.

[110] CR/PR, Table C-1.

[111] CR at CIRCULAR-I-23, PR at CIRCULAR-I-10.

[112] CR at CIRCULAR-III-6, PR at CIRCULAR-III-4.

[113] Tr. at 166 (Barnes).

[114] CR/PR, Table CIRCULAR-III-2.

[115] CR at CIRCULAR-V-1, PR at CIRCULAR-V-1.

[116] CR/PR, Figure CIRCULAR-V-1.

for 2007 and beyond is "uncertain," although it notes that an independent monitoring source has projected that ***.[117] The price of zinc, which is used as a raw material in the production of galvanized CWP, generally declined from 2000 to 2003, but rose by 89 percent between January 2004 and January 2006.[118]

The percentage of apparent U.S. consumption supplied by the domestic CWP industry declined during the period of review. The domestic industry's share of apparent U.S. consumption was at a period high of 72.2 percent in 1999, and then declined during five of the subsequent six years, reaching a period low of 56.0 percent in 2005.[119] Imports from nonsubject sources increased their presence in the U.S. market during the period of review, increasing from a period low of 17.7 percent in 1999 to a period high of 36.5 percent in 2005. In 2005, the largest source of nonsubject CWP imports was China. The market share of CWP imports from China rose sharply from a period low of 0.5 percent in 2002 to a period high of 15.9 percent in 2005.[120] The market share of imports from subject sources ranged from a period low of 7.5 percent in 2005 to a period high of 13.8 percent in 2002.[121]

*Substitutability*. As discussed in section III.B.2 above, CWP, regardless of source, generally is produced to ASTM standards. Market participants generally found that both the subject imports and the domestic like product can be used for the same applications and found that CWP from different sources was comparable in most non-price characteristics.[122]

### 3. Likely Volume of Subject Imports

The Commission's analysis of subject import volume differed slightly in each of the original investigations. In the 1984 Taiwan investigation, the Commission focused on volume and market share increases by the subject imports during the period of investigation.[123] In the 1986 determination concerning the antidumping duty investigation on CWP from Thailand and the countervailing duty investigation on CWP from Turkey, the two Commissioners who made affirmative determinations based on present injury focused on increases in the volume and market penetration of subject imports.[124] The two Commissioners who made affirmative threat determinations noted that, although the market penetration of the subject imports was very small, it had increased substantially during the period of investigation, subject producers had the ability to shift production between various tubular products, and there was substantial underutilized capacity in Turkey.[125] In the 1986 determination on the antidumping duty investigations on CWP from India and Turkey, the Commission emphasized dramatic increases in the subject imports' market penetration during the period of investigation.[126] In the 1992 determinations,

---

[117] U.S. Steel Posthearing Brief, Ex. 1 at 2-3.

[118] CR at CIRCULAR-V-2, PR at CIRCULAR-V-1. Galvanized CWP is estimated to constitute about 25 to 30 percent of the overall CWP market in the United States. Tr. at 107 (Magno).

[119] CR/PR, Table CIRCULAR-I-15.

[120] CR/PR, Table CIRCULAR-I-15.

[121] CR/PR, Table CIRCULAR-I-15.

[122] CR at CIRCULAR-II-10-14, PR at CIRCULAR-II-6-9.

[123] 1984 Taiwan Determination, USITC Pub. 1519 at 14.

[124] 1986 Thailand Determination, USITC Pub. 1810 at 15-16, 21. These two Commissioners' volume analyses shared this common rationale although the two Commissioners each examined different combinations of subject imports because of their divergent cumulation decisions.

[125] 1986 Thailand Determination, USITC Pub. 1810 at 25-28.

[126] 1986 India Determination, USITC Pub. 1839 at 12-13.

the Commission found that subject imports increased during the period of investigation in both absolute and relative terms.[127]

In the first five-year reviews, the Commission characterized the orders as having a restraining effect on subject import volumes. It concluded that, if the orders under review were revoked, the likely volume of subject imports would be significant both in absolute terms and relative to consumption in the United States. It reached this conclusion because there was significant unused capacity in the subject countries, several of the subject producers had the ability to switch production from other tubular products to CWP, the United States was an attractive export destination because of its large, growing market, and the subject producers had previously demonstrated their ability to increase U.S. market penetration rapidly.[128]

The record in these second five-year reviews continues to support the conclusion that the orders have served to restrain subject import volumes. Because the original investigations were conducted several years apart, and the pertinent harmonized tariff schedule numbers and corresponding official import statistics encompass an appreciable quantity of nonsubject merchandise, we do not possess a consistent data set for all subject countries during the original periods of investigation. We observe that, during the 1989-91 period, the quantity of subject imports from Brazil, Korea, Mexico, and Taiwan varied between 432,000 and 478,000 short tons.[129] By contrast, the quantity of cumulated subject CWP imports from all seven subject countries during the period of review varied from a period low of 176,000 short tons in 2005 to a period high of 376,000 tons in 2000. (During the period of review, subject import quantities fluctuated; quantities neither increased nor declined for any two consecutive calendar years.)[130]

Market penetration during the 1989-91 period for subject imports from Brazil, Korea, Mexico, and Taiwan ranged between 21.5 and 24.2 percent.[131] By contrast, market penetration for cumulated subject CWP imports from all seven countries during the period of review ranged between a period low of 7.5 percent in 2005 and a period high of 13.8 percent in 2002.[132]

In assessing the likely volume of subject imports if the CWP orders under review are revoked, we initially repeat our finding, made in section III.A.2. above, that each of the subject countries has either significant unused capacity or plans to increase capacity. In the aggregate the amount of unused capacity in the subject countries is quite substantial. The unused CWP capacity for 2005 in the subject countries reported in the foreign producers' questionnaires is 595,000 short tons.[133] This amount is over one-quarter of the 2.3 million short tons of apparent U.S. consumption of CWP in 2005.[134] Moreover, the unused capacity reported in the foreign producers' questionnaires seriously understates actual unused capacity in the subject countries, because there were no foreign questionnaire responses at all for two of the seven subject countries, and there were responses for only a single producer representing a minority of that country's total CWP capacity in three other subject countries.

Additionally, CWP imports from most of the subject countries are subject to antidumping duty orders in major markets. CWP imports from Brazil and India are subject to antidumping duties in

---

[127] 1992 CWP Determination, USITC Pub. 2564 at 34-35.

[128] 2000 Sunset Determination, USITC Pub. 3316 at 34-36.

[129] CR/PR, Table CIRCULAR-I-1.

[130] CR/PR, Table CIRCULAR-IV-1.

[131] CR/PR, Table CIRCULAR-I-1.

[132] CR/PR, Table CIRCULAR-I-15.

[133] CR/PR, Tables CIRCULAR-IV-7, CIRCULAR-IV-9, CIRCULAR-IV-11, CIRCULAR-IV-13, CIRCULAR-IV-15.

[134] CR/PR, Table CIRCULAR-I-15.

Canada.[135] Certain CWP products from Thailand are subject to antidumping duties in Australia, Canada, and the European Union (EU).[136] Certain CWP products from Turkey are subject to antidumping duties in the EU.[137]

CWP producers in four of the five subject countries for which current data are available indicate that they produce other welded tubular products at the facilities that they use to produce CWP.[138] Nevertheless, we do not rely on product shifting as a basis for finding that significant quantities of subject imports are likely upon revocation. In three of the four countries where subject producers are known to have the ability to shift production between products, line pipe and OCTG are among the principal other products produced.[139] Because line pipe and OCTG sell for higher prices than CWP, the record does not indicate that these producers would have an economic incentive to shift capacity from line pipe or OCTG production to CWP production. In any event, as discussed above, there is substantial excess CWP capacity in the subject countries without the need for product shifting.

We also have examined inventories of the subject merchandise. Inventories held by U.S. importers are minimal.[140] The information available concerning CWP inventories in the subject countries indicates that inventory levels were generally stable and at relatively moderate levels relative to shipments.[141]

As discussed above, the historic data on subject import quantity and market penetration indicate that the orders under review have served to restrain subject import volumes. Several foreign producers confirmed in their questionnaire responses either that the orders currently preclude them from participating in the U.S. market or that they would increase shipments to the United States upon revocation.[142] Revocation of the orders would remove a current disincentive from the subject CWP producers' participation in the U.S. market for CWP, and would provide an incentive for the subject producers to use their excess CWP capacity to increase their exports to the United States.[143] (The fact that antidumping orders covering one or more major markets apply to producers in most of the subject countries provides a further incentive for them to direct additional shipments to the United States.) Given the large amount of unused CWP capacity available and the subject producers' ability in the original investigations to increase imports rapidly, we find that the quantity of additional CWP shipments will be

---

[135] CR at CIRCULAR-IV-16, CIRCULAR-IV-20, PR at CIRCULAR-IV-13, CIRCULAR-IV-16.

[136] CR at CIRCULAR-IV-38, PR at CIRCULAR-IV-23.

[137] CR at CIRCULAR-IV-44, PR at CIRCULAR-IV-25.

[138] CR/PR, Tables CIRCULAR-IV-10, IV-12, IV-14, IV-16.

[139] CR/PR, Tables CIRCULAR-IV-10, IV-12, IV-16.

[140] CR/PR, Table CIRCULAR-IV-5.

[141] CR/PR, Tables CIRCULAR-IV-7, IV-9, IV-11, IV-13, IV-15. Inventory levels relative to shipments were higher in India than in the other subject countries for which data are available.

[142] CR at CIRCULAR-IV-37, PR at CIRCULAR-IV-23 (response of Thai producer); CR/PR, Table D-7 (responses of Turkish producers ***) See also CR/PR, Table D-3 (responses of ***, an importer of CWP from Korea, and ***, an importer of CWP from Mexico).

[143] Domestic Producers contend that the subject producers will have an additional incentive to increase shipments to the United States because CWP prices are higher in the United States than in other markets. While the record contains anecdotal statements from several market participants claiming that CWP prices are higher in the United States than in other markets, it lacks any specific empirical data that would corroborate these statements. CR at CIRCULAR-IV-52, PR at CIRCULAR-IV-31.

significant.[144] We consequently conclude that if the CWP orders under review are revoked, the volume of subject imports would be significant in absolute terms and relative to consumption in the United States.

4. Likely Price Effects of Subject Imports

In each of the original determinations, the Commission's analysis of price effects centered on pervasive underselling by the subject imports.[145] In several of the determinations, the Commission also found that the subject imports had significant price-depressing effects.[146]

In the first five-year reviews, the Commission characterized CWP as a price-sensitive product. Because CWP from various sources was generally interchangeable, price was important in purchasing decisions. The Commission observed that should the orders be revoked, there would likely be pervasive underselling by the subject imports, based on pricing patterns observed during both the original investigations and the period of review. Because the market for CWP was price-sensitive, the addition of even relatively small amounts of additional subject imports upon revocation would be likely to have significant price-suppressing or -depressing effects.[147]

The general importance of price in purchasing decisions has not changed since the time of the first five-year reviews. The record in these reviews indicates that price is the factor most frequently cited by U.S. purchasers as the number one factor in their purchasing decisions, with quality the second most frequently cited factor.[148] Price was also a factor repeatedly cited by purchasers as a "very important" factor in purchasing decisions; the only factor that purchasers cited more frequently was that of quality meeting industry standards.[149] The pertinent "industry standards" of quality are those specified in the ASTM standards, which both the domestic like product and the subject imports satisfy. In light of the comparable quality of CWP from different sources, price will be the principal factor influencing purchasing decisions. Even small price differentials between products are likely to influence purchasing decisions.[150] In other words, the domestic market for CWP remains price-sensitive. We consequently reaffirm the observation the Commission made in the first five-year reviews that sustained underselling by even a relatively small amount of subject imports is likely to have significant price-suppressing or -depressing effects.[151]

Even with the orders in place, the subject imports pervasively undersold the domestic like product during the period of review. On a cumulated basis, the subject imports undersold the domestic like

---

[144] That there are growing quantities of nonsubject imports of CWP from China in the U.S. market does not detract from this finding. In 2005, 84.1 percent of the CWP market in the United States was supplied by sources other than China. In that same year, shipments by domestic producers accounted for more than half of U.S. apparent consumption. CR/PR, Table CIRCULAR-I-15. The majority of the U.S. CWP market will likely continue to be supplied by sources other than China in the reasonably foreseeable future.

[145] 1984 Taiwan Determination, USITC Pub. 1518 at 15-16; 1986 Thailand Determination, USITC Pub. 1810 at 16, 22, 25-26; 1986 India Determination, USITC Pub. 1839 at 13-14; 1992 CWP Determination, USITC Pub. 2564 at 36-37.

[146] 1986 Thailand Determination, USITC Pub. 1810 at 16, 22; 1986 India Determination, USITC Pub. 1839 at 13-14; 1992 CWP Determination, USITC Pub. 2564 at 36-37.

[147] 2000 Sunset Determination, USITC Pub. 3316 at 37.

[148] CR/PR, Table CIRCULAR-II-1.

[149] CR/PR, Table CIRCULAR-II-2.

[150] See Tr. at 96 (Magno), 98 (Barnes), 170 (Bailow).

[151] 2000 Sunset Determination, USITC Pub. 3316 at 37.

product in 273 of 323 quarterly comparisons.[152] In light of this and the underselling observed during the original investigations, we conclude that there will likely be significant price underselling should the orders under review be revoked.

Because price is critical to purchasing decisions, the presence of significant quantities of CWP imports that are likely to enter the United States after revocation of the orders under review and that are likely to undersell the domestically produced product will force domestic CWP producers to either lower prices or lose sales.[153] Moreover, domestic CWP producers' raw material costs are volatile. Should these costs continue to rise as they did during the bulk of the latter portion of the period of review,[154] the addition of significant quantities of low-priced subject imports will likely impair the domestic industry's ability to recover increased costs. In light of these considerations and the price-sensitive nature of the market for CWP, we conclude that the subject imports will also likely have price-depressing or price-suppressing effects.

5. Likely Impact of the Subject Imports

In each of the original determinations, the Commission's impact analysis focused on the poor operating performance of the domestic CWP industry.[155] Other impact factors the Commission cited in individual determinations included declines in production, shipments, and employment (in the 1984 Taiwan investigation),[156] declines in market share and employment (in both 1986 determinations),[157] and declines in employment and capacity utilization (in the 1992 investigations).[158]

In the first five-year reviews, the Commission found that the industry's condition had improved markedly since the original investigations, due both to the existence of the orders and to the recent increases in demand for construction materials. It specifically cited increases in market share, capacity, and capacity utilization. It also noted that the CWP industry's operating performance, although declining

---

[152] CR/PR, Tables CIRCULAR-V-1-7. (After the record in these reviews closed, staff learned that the version of Table CIRCULAR-V-8 in the confidential report incorrectly tabulated some data in the pricing tables. The figures in the text represent the correct tabulation.) There was predominant underselling for each subject country for which price comparisons were available. Pricing data for CWP from Brazil and Thailand during the period of review were not available. Id.

[153] We observe that during the period of review, when subject imports had only a relatively small presence in the U.S. market, prices for the domestic like product fluctuated during the earlier portion of the period of review, rose sharply in 2004 and reached period highs during the second half of that year, and decreased from those peak levels in 2005. CR at CIRCULAR-V-11, PR at CIRCULAR-V-7; CR/PR, Figure CIRCULAR V-4. The price increases during the latter portion of the period of review occurred when prices of hot-rolled steel sheet, the principal raw input used in the production of CWP, increased sharply. CR/PR, Figure CIRCULAR-V-1.

We find that the subject imports will have likely price effects notwithstanding that the parties do not dispute that subject CWP imports are not likely to be sold in the United States at lower prices than CWP imports from China. As discussed above, if the orders were revoked subject import volumes would likely be significantly higher than they currently are under the restraining effects of the orders. To take sales from and have price effects upon the domestic industry, the subject imports need only be priced lower than the domestic like product; they need not be priced lower than all other products in the market. The record indicates that the subject CWP imports are likely to undersell the domestic like product in the event of revocation.

[154] CR/PR, Figures CIRCULAR-V-1, CIRCULAR-V-2.

[155] 1984 Taiwan Determination, USITC Pub. 1519 at 7-8; 1986 Thailand Determination, USITC Pub. 1810 at 8-9; 1986 India Determination, USITC Pub. 1839 at 7-9; 1992 CWP Determination, USITC Pub. 2564 at 36-37.

[156] 1984 Taiwan Determination, USITC Pub. 1519 at 7-8.

[157] 1986 Thailand Determination, USITC Pub. 1810 at 8-9; 1986 India Determination, USITC Pub. 1839 at 7-9.

[158] 1992 CWP Determination, USITC Pub. 2564 at 36-37.

during the period of review, was consistently higher than that observed during the original periods of investigation. It concluded that, in light of these improvements, the industry was not vulnerable to material injury. Nevertheless, the Commission concluded that if the orders were revoked, the adverse price effects associated with increased volumes of subject imports would have a likely significant adverse impact on the condition of the domestic industry.[159]

Domestic industry performance indicators moved in divergent directions during the period of review. Most output-related indicators declined. Capacity ranged from a period high of 2.9 million short tons in 1999 to a period low of 2.5 million short tons in 2002. Capacity of 2.6 million short tons in 2005 was below the 1999 level.[160] Capacity will likely decline further in 2006, as Wheatland announced it would close its Sharon, PA mill effective in May 2006.[161] Production reached a period low of 1.3 million short tons in 2005, as compared to 1.7 million short tons in 1999 and the period high of 1.8 million short tons in 2000.[162] Capacity utilization also reached a period low of 50.4 percent in 2005, as compared to 59.4 percent in 1999 and the period high of 63.8 percent in 2001.[163]

The domestic industry's U.S. shipments showed patterns similar to those for production. U.S. shipments were at a period low of 1.3 million short tons in 2005, as compared to 1.7 million short tons in 1999 and the period high of 1.8 million short tons in 2000.[164] Inventories, relative to either production or shipments, fluctuated within a fairly narrow range before declining noticeably in 2005.[165] The domestic industry's share of apparent U.S. consumption, which was at a period high of 72.2 percent in 1999, declined during five of the six subsequent years and was at a period low of 56.0 percent in 2005.[166] Domestic Producers ascribed the declines in shipments and market share during the latter portion of the period of review to increased CWP imports from China.[167] Hylsa did not contest this assertion.

The number of production and related workers increased each year from 1999, when there were 2,580 workers, to 2001, but declined irregularly thereafter. In 2005, there was a period low of 2,046 workers.[168] Since the beginning of 2006, producers have announced layoffs of 190 additional workers, the bulk of which concern Wheatland's Sharon mill.[169] Hours worked and wages paid were both at period

---

[159] 2000 Sunset Determination, USITC Pub. 3316 at 38-39.

[160] CR/PR, Table CIRCULAR-III-1.

[161] CR at CIRCULAR-III-2, PR at CIRCULAR-III-2; Tr. at 19-20 (Magno).

[162] CR/PR, Table CIRCULAR-III-1. As stated above, producers representing only a small minority of total CWP production are able to produce both line pipe and CWP or both OCTG and CWP at the same facilities. We consequently reject Hylsa's claim that the declines in production observed during the period of review are simply a function of domestic producers shifting capacity from CWP to OCTG or line pipe.

[163] CR/PR, Table CIRCULAR-III-1. Hylsa contends that the capacity data domestic CWP producers submitted to the Commission are overstated, and that the capacity utilization levels reported are consequently understated. Hylsa Prehearing Brief at 8. Hylsa provided no empirical data based on the record of the current reviews to substantiate its claims. Nevertheless, our analysis of capacity utilization has focused on trends and comparisons between different years, rather than the absolute capacity utilization levels.

[164] CR/PR, Table CIRCULAR-III-3.

[165] CR/PR, Table CIRCULAR-III-4.

[166] CR/PR, Table CIRCULAR-I-15.

[167] Tr. at 36 (Broglie), 45 (Scott), 114 (Magno, Barnes).

[168] CR/PR, Table CIRCULAR-III-6.

[169] Tr. at 41 (Klinefelter).

lows in 2005, although hourly wages were at a period high and productivity in 2005 was above the 1999 level and only fractionally below the period high.[170]

The domestic industry operated profitably throughout the period of review, although financial performance showed relatively large annual fluctuations. The industry's operating income ratio, which was 10.3 percent in 1999, declined in 2000 and 2001, increased in 2002, declined to a period low of 4.5 percent in 2003, increased to a period high of 11.8 percent in 2004, and then declined to 8.8 percent in 2005, which was the third-highest level of the period.[171] While six domestic producers reported operating losses in 2000 and seven reported such losses in 1999, 2001, 2002, and 2003, only one of 19 reporting firms reported operating losses in either 2004 or 2005.[172]

We observe that the domestic industry's operating performance was considerably better than that observed during the original investigations and comparable to that of the period examined during the first reviews. The 2005 levels of several of the indicators, such as capacity and production, that declined during the period of review were still above the levels observed during the original periods of investigation. By contrast, employment is below the levels of both the original investigations and the first reviews.[173] Although the performance of the industry during the period of review was mixed, we do not find that the industry is currently vulnerable to material injury.

We have, however, concluded that subject import volumes will likely increase to significant levels in the reasonably foreseeable future if the orders under review are revoked. Because the subject imports are good substitutes with the domestic like product, the domestic industry supplies the majority of the U.S. market, and there appear to be no significant market segments in which the domestic industry participates exclusively, any increase in subject import volumes will likely be in substantial part at the expense of the domestic industry.[174] In light of the fact that U.S. demand for CWP has been largely stagnant during the period of review and is unlikely to show robust increases in the reasonably foreseeable future, such increases in subject import volume will likely have the effect of exacerbating the declines in production, shipments, market share, and employment that the domestic industry sustained during the period of review.

Additionally, because of the likely aggressive pricing of the subject imports, the domestic industry will either need to cut prices for the domestic like product or lose sales. Under either scenario, the domestic industry's revenues will likely decline significantly in light of the anticipated volume of subject imports. This, in turn, will likely lead to declines in the industry's operating performance, which will likely revert from its current profitability to the much more depressed state observed during the original investigations.

We consequently find that revocation of the orders under review will likely have a significant adverse impact on the domestic industry. We therefore determine that revocation of the countervailing

---

[170] CR/PR, Table CIRCULAR-III-6.

[171] CR/PR, Table CIRCULAR-III-7. In terms of dollars, operating income in 2005 was at its second-highest level during the period of review. Id.

[172] CR/PR, Table CIRCULAR-III-7. The industry's 2005 capital expenditures were at their third-highest annual level during the period of review, although they were below the 1999 level. The industry's 2005 research and development expenditures were at a period low. CR/PR, Table CIRCULAR-III-10.

[173] CR/PR, Table CIRCULAR-I-1.

[174] As previously stated, CWP from various sources is highly substitutable because it is produced to standard ASTM specifications. Most CWP is made to a limited number of standard specifications. See CR at CIRCULAR-I-18, CIRCULAR-III-6 n.16, PR at CIRCULAR-I-15, CIRCULAR-III-4 n.16. Domestic Producers made an uncontested assertion that there are no significant types of CWP products that U.S. producers exclusively manufacture. See Domestic Producers Posthearing Brief at A-22. Indeed, Hylsa's counsel conceded at the hearing that "I don't think any of the U.S. producers have shielded markets." Tr. at 243 (Winton).

duty order on CWP from Turkey, and the antidumping duty orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey will likely lead to continuation or recurrence of material injury to the domestic CWP industry within a reasonably foreseeable time.[175]

## IV. REVIEWS ON ORDERS ON LIGHT-WALLED RECTANGULAR PIPE

### A. Cumulation

#### 1. Framework

The standards for cumulation are set forth above in subsection III.A.1.

In these second reviews, Domestic Producers argue that the Commission should exercise its discretion to cumulate subject imports from Argentina and Taiwan.[176] Siderar contends that the Commission should not cumulate subject imports from Argentina and Taiwan.[177]

The statutory requirement that all LWR reviews be initiated on the same day is satisfied, as Commerce initiated these reviews on July 1, 2005.[178] While we find that there is likely to be a reasonable overlap of competition among subject imports from Argentina, subject imports from Taiwan, and the domestic like product, we also find that significant differences in conditions of competition are likely to prevail between subject imports from Argentina and Taiwan. We therefore decline to exercise our discretion to cumulate subject imports from Argentina and Taiwan. Given that our finding is based on differing conditions of competition, we need not reach the issue of whether subject imports from Argentina and Taiwan viewed individually are likely to have no discernible adverse impact on the domestic industry.

#### 2. Likelihood of a Reasonable Overlap of Competition

With regard to likely overlap of competition, we note that the relevant inquiry is whether there would likely be competition even if there are no current imports from a subject country.[179] Further, only a "reasonable overlap" of competition is required.[180] We next analyze the four factors the Commission typically examines in determining whether there will be a likely overlap of competition.

In the original investigations, the two Commissioners who made present material injury determinations cumulated subject imports from Argentina and Taiwan.[181] Specifically, they found that domestic and subject LWR were fungible, subject imports from Argentina and Taiwan frequently entered the United States through the same ports and were sold in the same markets, a substantial portion of subject imports were sold to end users through steel service centers, and subject imports from both

---

[175] Commissioner Koplan and Commissioner Lane do not join the remainder of this opinion. See Additional and Dissenting Views of Commissioners Koplan and Lane.

[176] See Domestic Producers Posthearing Brief at 1-2, A-66-68.

[177] See Siderar Prehearing Brief at 2, 12-14; Tr. at 219 (Winton).

[178] 70 Fed. Reg. 38101, 38101 (July 1, 2005) (initiating the subject reviews).

[179] See generally Chefline Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

[180] See Mukand Ltd. v. United States, 937 F. Supp. 910, 917 (Ct. Int'l Trade 1996).

[181] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 8-9 (Views of Commissioners Brunsdale and Cass); 1989 Argentina Determination, USITC Pub. 2187 at 7-8 (Views of Commissioners Brunsdale and Cass).

countries were present throughout the period of investigation. These Commissioners noted that no party argued against cumulation of subject imports.[182]

In the first reviews, the Commission cumulated subject imports from Argentina and Taiwan for purposes of determining whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. The Commission found a likely overlap of competition among subject imports from Taiwan and Argentina and the domestic like product. It found that both subject and domestic LWR were commodity-like products produced to ASTM or similar specifications; were interchangeable, with no non-price differences between the products; were sold to distributors; and were likely to be simultaneously present in the market if the orders were revoked. The Commission found that the domestic like product and imports of LWR were sold or offered for sale in the same geographic regions, namely the West Coast and the Southwest.[183]

In these reviews, Domestic Producers contend that there is a likely reasonable overlap of competition among subject LWR imports and between LWR imports from each subject country and the domestic like product.[184] Siderar argues that subject imports from Argentina are not fungible with the domestic like product and subject imports from Taiwan because LWR imports from Argentina are made to IRAM specifications, rather than ASTM specifications.[185] It also contends that subject imports from Argentina and Taiwan would not compete in the same geographic markets.[186]

*Fungibility*. Siderar argues that, if there were subject imports from Argentina in the U.S. market, those imports would not be fungible. Siderar maintains that LWR imports from Argentina are made to IRAM specifications, which contain less restrictive tensile and chemical requirements and dimensional tolerances. The record in these reviews indicates that LWR generally is manufactured to standard specifications established by ASTM.[187] Although the tensile requirements and chemical characteristics of the IRAM and ASTM specifications differ somewhat, the record contains sales materials from the ***, indicating that the IRAM specifications are equivalent to ASTM specifications.[188] As in the original investigations and first five-year reviews, the majority of market participants characterized the domestic like product and subject imports from Argentina and Taiwan as always or frequently interchangeable.[189] When asked to compare various characteristics of domestically produced LWR and subject imports from Argentina and Taiwan, none of the 16 purchasers provided a response comparing domestically produced LWR and subject imports from Argentina using the various characteristics.[190] Only two purchasers compared the domestic like product and subject imports from Taiwan, indicating that the U.S. product was at least comparable to subject LWR from Taiwan in all characteristics, with one exception.[191] On

---

[182] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 8-9 (Views of Commissioners Brunsdale and Cass); 1989 Argentina Determination, USITC Pub. 2187 at 6-8 (Views of Commissioners Brunsdale and Cass).

[183] See 2000 Sunset Determination, USITC Pub. 3316 at 40-42.

[184] Domestic Producers Prehearing Brief at 4-6.

[185] See Tr. at 219 (Winton); see Siderar Prehearing Brief at 12. Siderar states that it produces LWR to the IRAM-IAS U 500-228 and IRAM-IAS U 500-2592 specifications. Letter from Jeffrey Winton to Marilyn R. Abbott of May 10, 2006.

[186] See Siderar Prehearing Brief at 13-14.

[187] See CR at LWR-I-8, PR at LWR-I-7; Tr. at 104 (Schagrin), 219-220 (Winton).

[188] CR/PR, Table LWR-IV-4 n.1; Domestic Producers Posthearing Brief at Ex. 2.

[189] CR/PR, Table LWR-II-3.

[190] CR at LWR-II-9, PR at LWR-7.

[191] CR/PR, Table LWR-II-5. One of the two responding purchasers indicated that the U.S. product was inferior to (continued...)

balance, based on the record in these reviews, we find that subject imports both from Argentina and Taiwan and the domestic like product are fungible.

*Geographic Overlap*. Siderar also argues that subject imports from Argentina would compete in markets along the East or Gulf Coasts of the United States, while subject imports from Taiwan would compete in markets along the West Coast. The record from these reviews and the original investigations does not support Siderar's argument. Although two nominal entries of LWR from Argentina entered through ports along the East Coast during the period reviewed, minimal quantities of subject imports from Taiwan entered through ports across the country, including the East Coast.[192] In the original investigations, the Commission found that subject imports from Taiwan and Argentina frequently entered the United States through the same ports in California, Texas, and Puerto Rico.[193] The record from the original investigations further indicates that entries of LWR from Argentina and Taiwan also were made in Pennsylvania, Florida, and Louisiana.[194] This evidence suggests that there would likely be a reasonable geographic overlap of competition between subject imports from Argentina and Taiwan and between the subject imports and the domestic like product, which generally is sold nationwide.[195]

*Channels of Distribution*. During the period of review, the majority of domestically produced LWR and *** imports were sold by distributors. There were some sales by domestic producers to end users.[196] This is the same distribution pattern observed in the prior investigations and reviews.[197]

*Simultaneous Presence*. As there were virtually no subject imports during the period examined, subject imports from Argentina and Taiwan were not simultaneously present in the U.S. market during the period of review.[198] This lack of presence appears to be a function of the existence of the orders, particularly for Taiwan. As we discuss later, given the relatively low level of production capacity of LWR in Argentina and the lack of export orientation of the Argentine industry, we conclude that subject imports from Argentina are unlikely to enter the U.S. market in significant quantities. We find, however, that they likely will be present in the minimal quantities necessary for a reasonable overlap of competition.[199]

*Conclusion*. The current record indicates that the competition criteria are satisfied. We consequently conclude that subject imports from Argentina and Taiwan likely would compete with each other and with the domestic like product should the orders under review be revoked.

---

[191] (...continued)
subject LWR from Taiwan in terms of price. Id.

[192] CR/PR, Table LWR-IV-3.

[193] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 8.

[194] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[195] The domestic like product is sold nationwide by three U.S. producers, and a fourth U.S. producer sells LWR in all states except Hawaii. The 10 other U.S. producers of LWR generally limit their sales to one or more specific regions of the United States. CR at LWR-II-1, PR at LWR-II-1. Moreover, the fact that the two firms that purchased small quantities of subject imports from Taiwan during the period reviewed are located in the western United States does not detract from our determination because the record as a whole indicates that subject imports from Argentina and Taiwan and the domestic like product are offered for sale in the same geographic regions in the United States. CR/PR, Table LWR-I-9.

[196] CR/PR, Table LWR-I-6.

[197] 2000 Sunset Determination, USITC Pub. 3316 at LWR-I-14; 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-9; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[198] CR/PR, Table LWR-IV-4.

[199] See Steel Authority of India v.United States, 25 CIT 472, 477, 146 F. Supp. 2d 900, 906-07 (2001); Nucor Corp. v. United States, 318 F. Supp.2d 1207, 1269-70 (Ct. Int'l Trade 2004).

3. Other Considerations

In determining whether to exercise our discretion to cumulate subject imports from Argentina and Taiwan, we assess whether the subject imports from each country are likely to compete under similar or different conditions of competition in the U.S. market.

In the first reviews, the Commission did not find any significant differences in the conditions of competition under which subject imports from Argentina and Taiwan would be likely to compete in the U.S. market sufficient to cause it to refrain from exercising its discretion to cumulate subject imports. The Commission also noted that no party posited any other considerations that would warrant not exercising its discretion to cumulate subject imports from Argentina and Taiwan.[200]

In these second reviews, Domestic Producers contend that there are no appreciable differences between the two subject countries in likely conditions of competition that would support the Commission refraining from exercising its discretion to cumulate subject imports from Argentina and Taiwan.[201] For the reasons discussed below, we conclude that there are significant differences in conditions of competition likely to prevail between subject imports from Argentina and Taiwan. We therefore decline to exercise our discretion to cumulate subject imports from Argentina and Taiwan.

During the original investigation, subject imports from Argentina increased from 121 short tons in 1985 to 1,846 short tons in 1986, and to 14,744 short tons in 1987.[202] The U.S. market share of subject imports from Argentina rose from zero percent in 1985 to 0.7 percent in 1986, and to 5.1 percent in 1987.[203] The Argentine LWR industry became increasingly export oriented, with exports accounting for *** percent of production in 1985, *** percent in 1987, and *** percent in interim (January through September) 1988, with the large majority of such exports going to the United States.[204] In the original investigation, the Commission received capacity, production, shipments, and export data for 12 Argentine LWR producers from the Argentine Association of Pipe and Tube Manufacturers. The data show that Argentine LWR capacity ranged from 119,290 short tons in 1985 to 158,746 short tons in 1987; the Argentine industry's capacity utilization ranged from 42.5 percent in 1985 to 55.7 percent in 1987.[205] Argentine production ranged from 50,757 short tons in 1985 to 88,361 short tons in 1987.[206]

The quantity of subject imports from Taiwan during the original investigation increased from 406 short tons in 1985 to 9,975 short tons in 1986, and to 14,770 short tons in 1987.[207] The share of the U.S. market held by LWR from Taiwan was less than 0.2 percent in 1985, 3.8 percent in 1986, and 5.1 percent

---

[200] See 2000 Sunset Determination, USITC Pub. 3316 at 40-42.

[201] Domestic Producers Posthearing Brief at 1.

[202] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27, Table 14; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[203] 2000 Sunset Review, USITC Pub. 3316 at Table LWR-I-1.

[204] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-25, Table 12; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[205] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at Table 12; 1989 Argentina Determination, USITC Pub. 2187 at A-3. The Argentine Association of Pipe and Tube Manufacturers also provided data for the period January through September 1987 and 1988. Capacity was higher in interim 1988 (91,158 short tons) compared to the same period in 1987 (37,548 short tons); capacity utilization was also higher in interim 1988 (92.7 percent) than in interim 1987 (83.9 percent). Production was higher in interim 1988 (84,477 short tons) than in interim 1987 (56,672 short tons). The share of shipments to the United States was higher in interim 1988 (*** percent) compared to interim 1987 (*** percent). Id.

[206] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at Table 12; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[207] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27, Table 14.

in 1987.[208] Three Taiwan producers in the original investigations reported capacity ranging from *** short tons in 1985 to *** short tons in 1988; the firms' capacity utilization ranged from *** percent in 1985 to *** percent in 1988.[209] They reported production ranging from *** short tons in 1985 to *** short tons in 1988 and export shipments to the United States totaling *** short tons in 1988, or approximately *** percent of production.[210] The three Taiwan LWR producers further reported export shipments totaling *** short tons of LWR from Taiwan in 1988. The ratio of total export shipments to the three firm's LWR production for 1988 was approximately *** percent.[211]

The antidumping duty orders were imposed on subject LWR from Argentina and Taiwan in 1989.[212] From 1989 through 2005, there were virtually no subject imports of LWR from Argentina to the United States, though nominal quantities entered the United States in 2000 and 2002.[213] Subject imports from Taiwan continued their presence in the U.S. market in fluctuating quantities from 1989 through 1992. They increased from 5,375 short tons in 1989 to 14,188 short tons in 1990, but after Commerce revised the dumping margin for the principal Taiwan exporter significantly upward in an annual review, subject imports from Taiwan fell from 8,519 short tons in 1991 to 2,620 short tons in 1992.[214] Since 1993, nominal quantities of less than 300 short tons of subject imports from Taiwan have entered the U.S. market in eight of the last twelve years.[215]

In the first reviews, no Argentine or Taiwan producers responded to the Commission's questionnaire.[216] Although no new information on the LWR industries in the two subject countries was available during the first reviews, the record indicated that Argentina had capacity to produce at least 848,000 short tons of welded carbon steel pipes and tubes, which would include LWR.[217] It also indicated that Argentina exported 9,910 short tons of noncircular welded pipes and tubes, which would include LWR, to Bolivia, Brazil, Paraguay, and Uruguay in 1998.[218] With respect to the Taiwan LWR industry,

---

[208] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[209] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-31 & Table 11 (Confidential Version). These three Taiwan producers include Ornatube Enterprise Co., Ltd., Vulcan Industrial Corp., and Yieh Mau Corp (formerly Yieh Hsing). Id. at A-31. The record in the original investigation indicated that data regarding the entire Taiwan LWR industry's capacity, production, shipments and exports were not available. Id. at A-32. This suggests that the data collected understated the actual size of the total Taiwan LWR industry. Id. & n.1.

[210] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-31, Table 11 (Confidential Version).

[211] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-31, Table 11 (Confidential Version).

[212] 70 Fed. Reg. at 38205.

[213] 2000 Sunset Determination, USITC Pub. 3316 at Table D-3. As noted, 3 short tons entered the United States in 2000, and 14 short tons entered the United States in 2002. CR/PR, Table LWR-IV-1.

[214] 2000 Sunset Determination, USITC Pub. 3316 at Table D-3; App. F at F-9.

[215] 2000 Sunset Determination, USITC Pub. 3316 at Table D-3. The volume of imports of LWR from Taiwan in 1993 was zero short tons. In 1994, 7 short tons of LWR from Taiwan entered the United States, while 112 short tons entered in 1996. Id. The volume of imports of LWR from Taiwan was zero short tons in 1997, 47 short tons in 1998, and 77 short tons in 1999. Id. In 2000, 23 short tons of LWR from Taiwan entered the United States and 13 short tons entered in 2001. Zero short tons entered the United States in 2002 and 2003, but 59 short tons entered in 2004 and 277 short tons entered in 2005. CR/PR, Table LWR-IV-1.

[216] 2000 Sunset Determination, USITC Pub. 3316 at LWR-IV-4 (staff identified three possible producers in Argentina, two of which responded that they did not produce LWR in Argentina).

[217] 2000 Sunset Determination, USITC Pub. 3316 at LWR-IV-3, Table G-1.

[218] 2000 Sunset Determination, USITC Pub. 3316 at Table H-2.

the record in the first reviews estimated that Taiwan had capacity to produce at least 697,000 short tons of welded carbon steel pipes and tubes, which would include LWR.[219]

In these second reviews, the Commission sent questionnaires to five firms identified by either the parties, proprietary Customs data, Commerce publications, or other public sources as potential Argentine producers of LWR.[220] Four firms responded that they did not produce or export LWR at any time since January 1999.[221] Two Argentine producers, Tubos Argentinos and Siderar, provided the Commission with partial data on their LWR operations.[222] No firm identified in these second reviews as a potential Argentine producer of LWR failed to provide the Commission with a response.[223]

Siderar is a recent entrant to the Argentine industry, having purchased the assets of former LWR producer Acindar S.A. in January 2006.[224] The majority of its predecessor's shipments from 2003 to 2005 increasingly went to ***.[225] Siderar states that it does not intend to export LWR to the United States.[226] Tubos Argentinos *** exports of subject merchandise to the United States in 2005, though the record indicates that it ***.[227] It also reported that *** of its production in 2005 was sold in ***.[228] The two Argentine producers indicated that their capacity utilization for all steel welded pipe products in 2005

---

[219] 2000 Sunset Determination, USITC Pub. 3316 at LWR-IV-4, Table G-7.

[220] CR at LWR-IV-9, PR at LWR-IV-7. These firms include Acindar S.A.; M. Royo, S.A.; Tenaris Siat, S.A.; Tubhier, S.A.; and Tubos Argentinos. Id.

[221] CR at LWR-IV-9-10, PR at LWR-IV-7. The following firms provided a response indicating that they did not produce or export LWR to the United States between 1999 and 2005: M. Royo, S.A., Tenaris Siat, S.A., Tubhier, S.A., and Rapi-Estant. The Commission sent a request for data on the LWR industry in Argentina to the Iron and Steel Institute of Argentina, which forwarded the Commission's questionnaire to Rapi-Estant. CR at LWR-IV-10, PR at LWR-IV-7-8.

[222] CR at LWR-IV-10, PR at LWR-IV-8. Siderar estimates that it accounts for approximately *** percent of total Argentine production of LWR in 2005, while Tubos Argentinos estimates that it accounts for approximately *** percent of total Argentine production of LWR in 2005. Siderar Foreign Producers Questionnaire Response at App. 3; Tubos Argentinos Foreign Producers Questionnaire Response at 11. Based on Siderar's representation of its share of total Argentine production, total Argentine production was approximately *** short tons in 2005. Siderar Foreign Producers Questionnaire Response at App. 3. Based on Tubos Argentinos's representation of its share of total Argentine production, total Argentine production was approximately *** short tons in 2005. Tubos Argentinos Foreign Producers Questionnaire Response at 11.

We observe that Siderar's questionnaire response *** and contained ***, while Tubos Argentinos ***. We further note that Tubos Argentinos's response was not received by the Commission until late in the review and only after repeated Commission attempts. See CR at LWR-IV-9-10 & n.8, PR at LWR-IV-8 n.8. As indicated above, Siderar purchased Acindar in January 2006. Data indicate that Acindar was the largest producer of welded carbon steel pipes and tubes during the first five-year reviews. 2000 Sunset Determination, USITC Pub. 3316 at Table G-1. It follows that Siderar would be in a better position by virtue of its pre-purchase due diligence to depict the true size of the Argentine LWR industry more accurately. Because of Siderar's position in the Argentine LWR industry and the depth of the information provided in its questionnaire, as compared to Tubos Argentinos and its questionnaire response, we give more weight to Siderar's questionnaire data.

[223] See CR at LWR-IV-9-10, PR at LWR-IV-7-8.

[224] Tr. at 194 (Winton); CR at LWR-IV-I0 n.4, PR at LWR-IV-7 n.4. Siderar provided available information on Acindar's operations between 2002 and 2005; Tubos Argentinos provided trade data only on its operations in 2005. CR at LWR-IV-10 n.5, PR at LWR-IV-7 n.5.

[225] CR/PR, Table LWR-IV-5.

[226] Siderar Prehearing Brief at 3. We note that Siderar is affiliated with Mexican CWP producer Hylsa.

[227] CR/PR, Tables LWR-IV-4 n.1, LWR-IV-1.

[228] Tubos Argentinos Foreign Producers Questionnaire Response at 11.

was *** percent, while their reported capacity utilization for LWR in 2005 was *** percent.[229] They further reported that their LWR capacity was *** short tons in 2005 and production was *** short tons in that year.[230] In 2005, the two firms reported that *** percent of their total shipment quantities were to ***, as compared to *** percent reported only by Siderar's predecessor in 2004.[231] Although the data only pertain to Siderar's predecessor, the record indicates that export shipments to the *** from 2002 to 2004 were limited and relatively stable, and in 2005, Tubos Argentinos and Siderar's predecessor combined exported only *** short tons of LWR to this region.[232]

In these second reviews, no Taiwan producer reported data to the Commission on its LWR operations.[233] Thus, the record does not provide the current number of producers of LWR in Taiwan, the capacity utilization level of the Taiwan industry, or the relative importance of exports to that industry.[234] It does, however, indicate there are currently at least seven producers of carbon steel pipe and tube, which includes LWR, in Taiwan.[235] Five of the seven listed producers of carbon steel pipe and tube have an estimated production capacity of 583,000 short tons.[236]

Based on the information available, we find that the Argentine industry and its focus has changed significantly since the original investigation. The industry has contracted from up to 12 producers in the original investigation to two known producers in the current review.[237] Argentine LWR capacity and production have declined since the original investigation.[238] Moreover, while the Argentine LWR industry was export-oriented in the original investigation, we now find that the industry is currently inwardly focused on its home market and the surrounding Mercosur region. Almost all Argentine shipments of LWR in 2005 were to the ***, with only ***.[239] We find that the higher percentage of shipments to the home market in 2005, as compared with 2004, further demonstrates that Tubos Argentinos, one of only two known producers, is also heavily focused on the home market.[240]

With respect to the Taiwan LWR industry, we find the information available indicates that Taiwan LWR producers are export oriented and are likely to increase exports to the United States to a significant degree in the reasonably foreseeable future if the order were revoked. There is no indication

---

[229] CR/PR, Tables LWR-IV-5, LWR-IV-6.

[230] CR/PR, Table LWR-IV-5.

[231] CR/PR, Table LWR-IV-5. Although ***. Tubos Argentinos Foreign Producer Questionnaire Response at 11.

[232] CR/PR, Table LWR-IV-5; Siderar Foreign Producer's/Exporter's Questionnaire Response at App. 2-3. Siderar's questionnaire response indicates that ***. Siderar Foreign Producers Questionnaire Response at App. 2-3.

[233] Staff identified eight possible producers in Taiwan, and also sent a LWR foreign producers' questionnaire to eleven other firms identified as CWP producers in Taiwan. CR at CIRCULAR-IV-35, LWR-IV-15, PR at CIRCULAR-IV-21-22, LWR-IV-8-9. Two firms provided a questionnaire response indicating that they did not produce or export LWR to the United States during the period examined. CR at LWR-IV-15, PR at LWR-IV-9.

[234] CR at LWR-IV-15-16, PR at LWR-IV-8-9.

[235] CR at LWR-IV-14, PR at LWR-IV-8. Carbon steel pipe and tube comprises LWR as well as CWP, seamless and other types of pipes and tubes outside the scope of these reviews. CR/PR, Table E-6 n.1.

[236] CR/PR, Table E-6.

[237] CR at LWR-IV-9, PR at LWR-IV-6-7.

[238] Although we acknowledge that all welded steel pipe and tube capacity was 848,000 short tons in 1998, we give less weight to these data because we have received more recent and direct data specifically concerning the LWR industry in Argentina on this record.

[239] CR/PR, Table LWR-IV-5; Siderar Foreign Producer Questionnaire Response at App. 3. We note that the percentage of LWR shipments to the Argentine home market was *** in the sole year for which Tubos Argentinos reported data in its questionnaire response. Tubos Argentinos Foreign Producer Questionnaire Response at 11.

[240] Based on the information available, it follows that any unused production capacity would be shipped ***.

that their structures have changed significantly since the original investigations.[241] Thus, the capacity and production of the Taiwan LWR industry are likely at least as large as they were during the original investigation. During that investigation, the period for which the most recent data describing the LWR industry in Taiwan are available, Taiwan producers more than doubled their capacity and production while significantly increasing exports to the United States. Export shipments to the United States represented a substantial percentage of reported Taiwan LWR production in 1988; additionally, more than three-quarters of reported Taiwan LWR production was exported in that year. Since the imposition of the order in 1989, Taiwan producers have exported subject LWR to the United States even with the order in place, indicating that Taiwan producers continue to maintain some commercial contacts with prospective U.S. purchasers or importers. Moreover, ***.[242] As discussed more fully below, the attractiveness of the U.S. market's size, openness, and high prices would provide an incentive to Taiwan producers of LWR to shift sales to the United States in the event of revocation of the order.

For the reasons stated above, we find that there are different conditions of competition likely to prevail between subject imports from Argentina and Taiwan. We decline to exercise our discretion to cumulate subject imports from Argentina and Taiwan in these reviews.

### B. Likelihood of Continuation or Recurrence of Material Injury if the Antidumping Duty Orders Were Revoked

#### 1. Legal Standard in a Five-Year Review

The relevant legal standards applicable to five-year reviews are presented above in subsection III.B.1.[243]

#### 2. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[244] The following conditions of competition are relevant to our determination.

*Demand.* In the first reviews, the Commission found that demand for LWR generally was dependent on the level of construction, particularly the level of spending on residential construction. The Commission observed that apparent U.S. consumption of LWR nearly doubled since the original investigations, attributing the increase to the "recent boom" in construction activity. The Commission noted that the rate of growth in construction demand was beginning to slow. It described demand for

---

[241] The current record provides limited public capacity data for the entire Taiwan carbon steel pipe and tube industry, including LWR. These data indicate that five of the seven identified producers of carbon steel pipe and tube in Taiwan have an estimated production capacity of 583,000 short tons. Because the data are incomplete and overstate the size of the LWR industry in Taiwan, we give less weight to this information. CR/PR, Table E-6.

[242] CR/PR, Table D-6.

[243] Commerce has made no duty absorption findings with respect to the LWR orders under review. CR at LWR-I-4, PR at LWR-I-4. In its expedited five-year review of the antidumping duty order from Argentina, Commerce found a likely dumping margin of 56.26 percent for all Argentine manufacturers, producers, and exporters of LWR. In its expedited five-year review of the antidumping duty order for Taiwan, Commerce found a likely dumping margin of 5.51 percent for Ornatube Enterprise, 40.97 percent for Vulcan Industrial Corp. and Yieh Hsing Industries, Ltd., and 29.15 percent for all others. 70 Fed. Reg. at 67433.

[244] 19 U.S.C. § 1675a(a)(4).

LWR in construction applications as price inelastic because LWR generally accounted for a small share of the overall costs of construction projects in which it is used.[245]

The record in these second reviews reveals that LWR is an intermediate product with many end-use applications, including ornamental fencing, gates, exercise equipment, furniture, hand rails, and automotive equipment.[246] Demand for LWR in the U.S. market thus depends on the market for these end-use products. Domestic Producers state that the largest sources of demand are fencing and outdoor furniture, which are closely related to residential construction.[247] Over the period reviewed, total expenditures on residential construction increased dramatically, with the strongest growth occurring between 2003 and 2005.[248]

Apparent U.S. consumption increased moderately over the period of the original investigations. It increased from 262,000 short tons in 1985 to 263,000 short tons in 1986, and further increased to 288,000 short tons in 1987.[249] Apparent U.S. consumption also grew during the period of the first reviews, increasing from 526,000 short tons in 1997 to 565,000 short tons in 1998.[250] During these second reviews, apparent U.S. consumption generally increased over the entire period, ranging between 668,000 short tons and 793,000 short tons.[251] Thus, apparent U.S. consumption of LWR has nearly tripled since the original investigations.

*Supply*. The Commission received questionnaire responses from 14 firms, accounting for the majority of U.S. production of LWR during the period reviewed.[252] Although there was little consolidation of the domestic industry, U.S. producers reported shifts among firms in LWR production.[253] In 2005, Atlas acquired Maverick's LWR business; ***. Atlas also ***.[254] The domestic industry's capacity fluctuated over the period of review, decreasing irregularly from 901,000 short tons in 1999 to 886,000 short tons in 2005.[255]

Since the imposition of the orders, the U.S. market mostly has been supplied by two sources: domestic production and nonsubject imports.[256] In the original investigations, U.S. producers' share of the U.S. market increased irregularly from 68.1 percent in 1985 to 72.1 percent in 1987.[257] In the first reviews, U.S. producers' share of the U.S. market was relatively stable at 72.2 percent in 1997 and 71.7

---

[245] 2000 Sunset Determination, USITC Pub. 3316 at 42.

[246] CR at LWR-II-1, LWR-II-4, PR at LWR-II-1, LWR-II-3.

[247] Domestic Producers Posthearing Brief at A-44-45 & Ex. 10.

[248] CR/PR, Figure LWR-II-1.

[249] CR/PR, Table LWR-I-1.

[250] CR/PR, Table LWR-I-1.

[251] CR/PR, Table LWR-I-1. Apparent U.S. consumption fell slightly from 749,000 short tons in 1999 to 746,000 short tons in 2000, then fell again to a period low of 668,000 short tons in 2001. In 2002, apparent U.S. consumption grew to 787,000 short tons and increased further in 2003 to a period high of 793,000 short tons. It then declined somewhat to 763,000 short tons in 2004, but rose again in 2005 to 792,000 short tons. Id.

[252] CR at LWR-III-1, PR at LWR-III-1.

[253] CR at LWR-III-2, PR at LWR-III-2.

[254] CR at LWR-III-2, PR at LWR-III-2.

[255] CR/PR, Table LWR-III-1.

[256] We note that, as discussed above, subject imports from Taiwan were present in varying quantities from 1989 to 1992 and have been nominal or zero since 1992. CR/PR, Table LWR-IV-1; 2000 Sunset Determination, USITC Pub. 3316 at Table D-3; App. F at F-9. During these second reviews, subject imports from Taiwan have held less than 1 percent of the U.S. LWR market. CR/PR, Table LWR-I-1.

[257] CR/PR, Table LWR-I-1.

percent in 1998.[258] In these second reviews, U.S. producers' share of the U.S. market generally declined over the period of review from 69.8 percent in 1999 to 57.4 percent in 2005.[259]

Nonsubject imports have occupied a relatively important share of the LWR market since the original investigations. In those investigations, nonsubject imports' share of the U.S. market declined from 31.7 percent in 1985 to 17.7 percent in 1987.[260] In the first reviews, nonsubject imports' share of the U.S. market was relatively stable at 27.8 percent in 1997 and 28.3 percent in 1998.[261] Nonsubject imports accounted for an increasing share of apparent domestic consumption during these second reviews, rising from 30.2 percent in 1999 to 42.6 percent in 2005.[262] The principal sources of nonsubject LWR imports in 2005 were Mexico and Canada.[263]

Domestic LWR producers also have faced increasing input costs over the period of these reviews. A principal input in the production of LWR is hot-rolled steel.[264] Monthly spot prices for hot-rolled steel rose sharply during the second half of 2003 and the first half of 2004, when they reached a period high. Hot-rolled steel prices then declined somewhat during the latter portion of 2004 and early 2005, before rising in the latter portion of 2005 and early 2006.[265]

*Substitutability*. In the original determinations, the two Commissioners who made present material injury determinations found that subject imports from Argentina and Taiwan and the domestic like product were "relatively" substitutable.[266] During the first reviews, the Commission found that LWR was a commodity product made to common industry standards.[267] The current record, though limited, shows moderately high substitutability between domestically produced LWR and both subject and nonsubject LWR.[268] Domestic producers, importers, and purchasers most often reported that LWR imports from different countries were always or frequently interchangeable.[269]

### 3. Argentina

#### a. Likely Volume of Subject Imports

In the original investigations, the two Commissioners who found present material injury cumulated subject imports from Argentina and Taiwan and concluded that the effect of cumulated subject

---

[258] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[259] CR/PR, Table LWR-I-11. Domestic producers' share of the U.S. market increased slightly from 62.6 percent in 2002 to 63.4 percent in 2003, and rose slightly again in 2004 to 63.7 percent. Id.

[260] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[261] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[262] CR/PR, Table LWR-I-1.

[263] CR/PR, Table LWR-IV-1.

[264] CR at LWR-V-1, PR at LWR-V-1. Cold-rolled steel sheet and hot-dipped galvanized sheet, other raw material inputs sometimes used in the production of LWR, exhibited similar trends. Id.

[265] CR/PR, Figure LWR-V-1.

[266] 1989 Argentina Determination, USITC Pub. at 11 (Views of Commissioners Brunsdale and Cass); see 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 28-29 (Views of Commissioner Brunsdale), 44-45 (Views of Commissioner Cass).

[267] 2000 Sunset Determination, USITC Pub. 3316 at 42.

[268] CR/PR, Table LWR-II-3, CR at LWR-II-7-11, PR at LWR-II-5-8.

[269] CR/PR, Table LWR-II-3.

imports had been to reduce sales of domestic LWR in the United States significantly.[270] In the first five-year reviews, the Commission characterized the orders as having a restraining effect on cumulated subject import volumes from Argentina and Taiwan. It concluded that, if the orders under review were revoked, the likely volume of subject imports would reach significant levels within a reasonably foreseeable time. The Commission reached this conclusion because there was significant unused capacity in the subject countries, the subject producers had previously demonstrated their interest in the U.S. market, and they had the ability to increase U.S. market penetration rapidly.[271] As discussed above, we find that different conditions of competition are likely to prevail between subject imports from Argentina and Taiwan and therefore we do not cumulate those imports.

During the original investigation, subject imports from Argentina increased from 121 short tons in 1985 to 1,846 short tons in 1986, and further increased to 14,744 short tons in 1987.[272] The U.S. market share of subject imports from Argentina rose from zero in 1985 to 0.7 percent in 1986, and to 5.1 percent in 1987.[273] The Argentine industry became increasingly export oriented, with exports accounting for *** percent of production in 1985, *** percent in 1987, and *** percent in interim (January through September) 1988, with the large majority of such exports going to the United States.[274] The antidumping duty order on subject LWR from Argentina was issued in 1989. From 1989 through 1999, there were no subject imports of LWR from Argentina to the United States.[275] Similarly, with the exception of minuscule amounts in 2000 and 2002, zero short tons of LWR from Argentina have entered the United States during these second reviews.[276]

We find that the volume of subject LWR from Argentina is not likely to change to any significant degree if the order were revoked. As discussed above, the Argentine industry has shrunk from 12 producers in the original investigations to only two known producers of LWR.[277] These two firms had a total capacity of only *** short tons in 2005, or approximately *** of the capacity reported in 1987.[278] The two firms' production has similarly decreased from 88,361 short tons in 1987 to *** short tons in

---

[270] 1989 Argentina Determination, USITC Pub. 2187 at 9, 11; see 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 24-25 (Commissioner Brunsdale), 33-35 (Commissioner Cass). The two Commissioners who found threat of material injury in the original investigations concluded that Argentine producers had the ability to increase their exports to the United States rapidly. They observed that subject imports from Argentina rose dramatically from January 1986 to September 1988, despite a complete cessation of imports shortly after the filing of the petition in July 1988. They found that the most notable increase in LWR from Argentina occurred in the months immediately prior to and following the filing of the petition. These Commissioners noted that LWR from Argentina captured a rapidly increasing share of the market. 1989 Argentina Determination, USITC Pub. 2187 at 21-23 (Views of Commissioners Eckes and Newquist).

[271] 2000 Sunset Determination, USITC Pub. 3316 at 43-44.

[272] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27, Table 14; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[273] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[274] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-25, Table 12; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[275] 2000 Sunset Determination, USITC Pub. 3316 at Table D-3.

[276] CR/PR, Table LWR-IV-1. These quantities were 3 short tons in 2000 and 14 short tons in 2002. CR/PR, Table LWR-I-1.

[277] As discussed above, the information available indicates that these two producers are the only known producers of LWR in Argentina. The Commission sent questionnaires to all potential producers identified by the parties, Customs proprietary data, Commerce notices, and other public sources.

[278] CR/PR, Table LWR-IV-5; 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-25, Table 12; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

2005.[279] Even though there was some unused capacity reported by these two remaining producers in 2005, the record indicates that the Argentine LWR industry is focused inwardly on its home market as well as the surrounding Mercosur region.[280] Nothing on the current record suggests that this focus is likely to change in the reasonably foreseeable future if the order were revoked. Indeed, the record indicates that almost all Argentine shipments of LWR in 2005 were to the home market, with the remaining share of shipments exported *** to the Mercosur region.[281] It further indicates that Argentina and the Mercosur region's real gross domestic product and, in particular, certain markets within Argentina from which demand for LWR are derived, have been experiencing growth and are expected to continue growing.[282] Moreover, no responding U.S. purchaser has expressed an interest in purchasing LWR from Argentina.[283] Finally, while we acknowledge that the Argentine industry has some unused capacity and may contain one or more undocumented producers, the record does not support the proposition that the Argentine industry would likely export this production to the United States if the order were revoked. Again, the record indicates that the Argentine industry is focused either on its home market or the Mercosur region. The industry has not exported beyond the Mercosur region during the period of review, notwithstanding the fact that Argentina does not face import barriers in other countries.

As discussed previously, the U.S. market has experienced significant growth since the original investigations, more than tripling in size. Even in the unlikely event that a significant percentage of excess production capacity in Argentina were exported to the U.S. market, subject import volume and market share would not be significant in absolute terms and relative to consumption and U.S. production.[284] We therefore do not find that subject imports from Argentina are likely to enter the United States in significant volumes if the order were revoked.

b. Likely Price Effects of Subject Imports

In the original investigations, cumulated subject imports undersold the domestic like product in all possible comparisons.[285] The two Commissioners who reached affirmative present injury

---

[279] CR/PR, Table LWR-IV-5; 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-25, Table 12; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[280] CR/PR, Table LWR-IV-5; Siderar Foreign Producer's/Exporter's Questionnaire Response at App. 2-3.

[281] CR/PR, Table LWR-IV-5. In fact, although ***. Tubos Argentinos Foreign Producer's/Exporter's Questionnaire Response at 11.

[282] See Siderar Prehearing Brief at Ex. 1-3. The specific markets within Argentina include construction and the automotive sector. Id. at Ex. 1. Moreover, Domestic Producers do not refute Siderar's contention that transportation costs to the U.S. market are more than double the costs to the Mercosur markets. Siderar Posthearing Brief at 2-3 & n. 4; Siderar Prehearing Brief at 11 n.17. Siderar estimates that transportation costs to the Gulf Coast or Mississippi River valley of the United States would total approximately $*** to $*** per ton, while costs for shipments to the West Coast would total approximately $*** to $*** per ton. By contrast, costs for shipments to Uruguay total approximately $*** per ton. Siderar Posthearing Brief at 3 n.4.

[283] CR/PR, Table D-6.

[284] CR/PR, Table LWR-IV-6 (***); Tubos Argentinos Foreign Producer's/Exporter's Questionnaire Response at 11. In light of the size of the Argentine industry and its capacity utilization, the ability of *** to produce other welded tubular products in the facilities they use to produce CWP does not alter this conclusion. See CR/PR, Table LWR-IV-6. Inventories of LWR from Argentina do not exist in the United States and are minimal in Argentina. CR at LWR-IV-6, PR at LWR-IV-5; CR/PR, Table LWR-IV-5. Further, the record does not indicate that LWR from Argentina is subject to barriers to importation in other countries.

[285] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-34-35, Tables 17-18; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

determinations found that subject imports had suppressed prices for the domestic like product.[286] The two Commissioners who found threat of material injury found that LWR from Argentina and Taiwan consistently undersold the domestic like product throughout the period of investigation.[287] They further observed that a number of reported lost sales to LWR from Argentina were confirmed.[288]

In the first five-year reviews, the Commission was unable to obtain meaningful pricing information on subject LWR imports because those imports were not present in the U.S. market and subject producers had not participated in the reviews. The Commission determined that if the orders were revoked, there would likely be significant underselling by the cumulated subject imports based on facts available. The Commission also found that LWR from the subject countries would likely enter the United States at prices that would have a significant depressing or suppressing effect on prices for the domestic like product in light of the commodity nature of the product, the inelasticity of domestic demand for LWR, and the demonstrated willingness of subject producers during the original investigations to undersell the domestic like product as a means of gaining market share.[289]

Because subject LWR imports from Argentina have been virtually absent from the U.S. market, the record lacks current meaningful U.S. pricing or average unit value information on such imports. During the original investigation, the period for which the most recent price data are available, subject imports from Argentina undersold the domestic like product in all 34 quarterly comparisons for which data were available.[290]

During the current period of review, domestic LWR prices fluctuated moderately from the beginning of the period through the end of 2003, increased sharply in 2004, and then declined somewhat off of this peak level but remained higher than the earlier period.[291] Price is an important consideration in purchasing decisions. Twelve out of 16 purchasers responding to the Commission's questionnaires indicated that price was the first or second most important factor in selecting a supplier.[292] All 16 responding purchasers also indicated that price was a very important factor in their purchasing decisions, while nine out of 16 purchasers reported discounts offered as a very important factor in their purchasing decisions.[293] Nevertheless, no purchaser expressed an interest in purchasing LWR from Argentina if the order were revoked.[294]

As discussed above, in light of the diminished capacity and production of the LWR industry in Argentina as well as the inward focus of the two known remaining producers on the home market and the surrounding Mercosur region, we do not find that subject imports from Argentina are likely to enter the United States in significant quantities if the order were revoked. Were subject imports from Argentina to reenter the U.S. market, as indicated above, subject import volume and market share would be too small in absolute and relative terms to have any adverse effects on domestic LWR prices. Moreover, domestic prices rose during the period of review, and while they recently have declined somewhat, they remain relatively high. Thus, the possible small volume, if any, of subject imports from Argentina likely would

---

[286] 1989 Argentina Determination, USITC Pub. 2187 at 9, 11; 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 30-31 (Commissioner Brunsdale), 35-42 (Commissioner Cass).

[287] 1989 Argentina Determination, USITC Pub. 2187 at 23 (Commissioners Eckes and Newquist); 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 56 (Commissioners Eckes and Newquist).

[288] 1989 Argentina Determination, USITC Pub. 2187 at 23 (Commissioners Eckes and Newquist).

[289] 2000 Sunset Determination, USITC Pub. 3316 at 44.

[290] CR at LWR-V-8, PR at LWR-V-5.

[291] CR/PR, Table LWR-V-1, Figure LWR-V-3.

[292] CR/PR, Table LWR-II-1.

[293] CR/PR, Table LWR-II-2.

[294] CR/PR, Table D-6.

not suppress or depress domestic LWR prices. Accordingly, we conclude that there is not likely to be significant underselling by the subject imports if the order were revoked, and correspondingly, those imports would not be likely to have a significant depressing or suppressing effect on prices for the domestic like product.

c. Likely Impact of Subject Imports

As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.[295]

In the original determinations, the Commission observed that a number of industry performance indicators improved between 1985 and 1987. The two Commissioners making present material injury determinations concluded that the industry's condition was not strong enough to preclude an affirmative determination. The two Commissioners making threat determinations found that the industry was in a vulnerable condition.[296]

In the first five-year reviews, the Commission found that the industry's condition had improved meaningfully since the original investigations, as a consequence of both the orders themselves and the recent increases in demand in the U.S. construction sector. It specifically cited increases in production, capacity, shipments, and employment. It also noted that the LWR industry's operating income margin was markedly higher than that observed during the original period of investigation. The Commission concluded that, in light of these improvements, the industry was not vulnerable to material injury. Nevertheless, the Commission concluded that if the orders were revoked, the adverse price effects associated with increased volumes of cumulated subject imports would likely have a significant adverse impact on the condition of the domestic industry.[297]

In the instant reviews, Domestic Producers contend that material injury is likely to recur if the antidumping duty orders were revoked. Domestic Producers contend that the domestic LWR industry is currently in a vulnerable condition, despite its profitability in 2005. They also state that the domestic industry is not currently able to pass through increases it is experiencing in raw material costs.[298]

The domestic LWR industry's performance generally fluctuated during these reviews; broadly speaking, indicators mostly declined between 1999 and 2002, then increased in 2003 and 2004, and declined in 2005. As discussed previously, the domestic industry's market share declined from 69.8 percent in 1999 to 62.6 percent in 2002, then rose somewhat to 63.4 percent in 2003 and 63.7 percent in 2004, but declined to 57.4 percent in 2005.[299] The industry's production fluctuated from 544,000 short tons in 1999 to 450,000 short tons in 2001, then rose somewhat in 2002, before declining each

---

[295] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[296] 1989 Argentina Determination, USITC Pub. 2187 at 9, 11-13 (Commissioners Brunsdale and Cass), 17-19 (Commissioners Eckes and Newquist); 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 30-31 (Commissioner Brunsdale), 47-49 (Commissioner Cass), 51-54 (Commissioners Eckes and Newquist).

[297] 2000 Sunset Determination, USITC Pub. 3316 at 44-45.

[298] Domestic Producers Posthearing Brief at 7-10; see Domestic Producers Prehearing Brief at 29.

[299] CR/PR, Table LWR-I-1.

consecutive year for the remainder of the period of review to 451,000 short tons in 2005.[300] Capacity declined slightly from 1999 to 2001, rose to its period high in 2002, and then declined in 2003 and remained relatively constant thereafter.[301] Capacity utilization also fluctuated, declining from its period high in 1999 (60.3 percent) to its period low in 2001 (50.3 percent), then increased in 2002 and 2003 (54.8 percent and 57.0 percent, respectively), before declining again in 2004 and 2005 (54.8 percent and 50.9 percent, respectively).[302] Domestic producers' U.S. shipments declined irregularly from 1999 to 2001, largely recovered by 2003, but then declined thereafter.[303] Inventories fluctuated each year from 1999 to 2004, before declining to a period low in 2005.[304]

The number of production and related workers also declined from 1999 to 2001, then increased in 2002 and 2003, before declining in 2004 and 2005.[305] Productivity was relatively constant between 1999 and 2002, but was substantially lower from 2003 through 2005.[306]

By contrast, the industry showed consistent profitability throughout the period of review, although performance indicators fluctuated considerably on an annual basis. Operating performance was strong during the latter portion of the period of review, when the industry's operating margins reached 16.6 percent in 2004 and 10.4 percent in 2005.[307] The domestic industry's operating income steadily decreased from 1999 to 2001 from an income of $40.2 million and $31.7 million in 1999 and 2000 respectively, falling to $23.9 million in 2001. In 2002, operating income increased to $31.0 million, then fell to $21.5 million in 2003, the lowest level of the period of review. In 2004, operating income more than tripled to $73.4 million, and fell to $44.7 million in 2005.[308] In addition, the value and unit value of the industry's U.S. shipments and net sales generally rose over the period reviewed, even as costs and selling, general and administrative expenses increased.[309]

We observe that the domestic industry's operating performance was considerably better than that observed during the original investigations and the first reviews. The most recent (2005) levels of several of the indicators, such as capacity, production and employment, that generally declined over the period of review were still above the levels observed during the original period of investigation and the first reviews. By contrast, capacity utilization in 2005 was below the levels of both the original investigations and the first reviews.[310] Although the performance of the domestic industry was mixed during the period

---

[300] CR/PR, Table LWR-III-1.

[301] CR/PR, Table LWR-III-1.

[302] CR/PR, Table LWR-III-1.

[303] CR/PR, Table LWR-III-3.

[304] CR/PR, Table LWR-III-4.

[305] CR/PR, Table LWR-III-6.

[306] CR/PR, Table LWR-III-6. We note that the difference between these two periods reflects the ***. CR at LWR-III-9, PR at LWR-III-7.

[307] CR/PR, Table LWR-III-7.

[308] CR/PR, Table LWR-III-7. We note that capital expenditures also declined irregularly over the period, from $7.7 million in 1999 to $7.4 million in 2005. Research and development expenses fluctuated, declining from $*** in 1999 to $*** and $*** in 2000 and 2001, respectively, before increasing in 2002 to $*** and $*** in 2003, and then dropping in 2004 to $*** and in 2005 to $***. CR/PR, Table LWR-III-10.

[309] CR/PR, Tables LWR-III-3, LWR-III-7. Each of these performance indicators was generally higher at the end of the period when compared to the beginning, though some factors fluctuated on an annual basis over the period reviewed. We also note that the average unit value of total net sales increased over the period reviewed from $578 per ton in 1999 to $936 per ton in 2005. CR/PR, Table III-7.

[310] CR/PR, Table LWR-III-1.

of review, on balance we do not find that it is currently vulnerable to material injury, given the current relative strength of the industry.

As discussed above, in light of the declines in capacity and production of the LWR industry in Argentina as well as the inward focus of the two known remaining producers on the home market and the surrounding Mercosur region, we do not find that subject imports from Argentina are likely to enter the United States in significant quantities if the order were revoked. Were subject imports from Argentina to reenter the U.S. market, subject import volume and market share would be too small in absolute and relative terms to have any adverse effects on domestic LWR prices. Because revocation will likely result in neither an increase in subject import volume to a significant level nor significant price effects, we find that significant declines in the domestic industry's output, market share, profits, productivity, return on investment, and capacity utilization are not likely. We also find that revocation will not likely result in significant effects on the domestic industry's cash flow, inventories, employment, wages, growth, ability to raise capital, investment, or development or production efforts, particularly in light of the industry's currently strong financial condition. We consequently conclude that revocation of the order is not likely to have a significant impact on the domestic industry. Thus, we determine that revocation of the antidumping duty order on LWR from Argentina would not be likely to result in continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.[311]

4. Taiwan

a. Likely Volume of Subject Imports

The Commission's determinations regarding the likely volume of subject imports from Taiwan during the original investigations and first reviews are presented above in subsection IV.B.3.a.[312]

The quantity of subject imports from Taiwan during the original investigation was 406 short tons in 1985, 9,975 short tons in 1986, and 14,770 short tons in 1987.[313] The market share held by LWR from Taiwan was less than 0.2 percent in 1985, 3.8 percent in 1986, and 5.1 percent in 1987.[314] Three Taiwan producers in the original investigations reported capacity ranging from *** short tons in 1985 to *** short tons in 1988; the firms' capacity utilization ranged from *** percent to *** percent in 1988.[315] The three

[311] Although Domestic Producers argue that the outlook for residential construction is weakening, in light of the fact that LWR is an intermediate product with many end-use applications and U.S. demand for LWR has moderately increased over the period reviewed, as well as the fact that the strongest growth in residential construction expenditures occurred in the latter portion of the period reviewed, we find that demand for LWR will remain strong in the reasonably foreseeable future.

[312] We note that the two Commissioners who found threat of material injury in the original investigations observed that the volume of subject LWR from Taiwan increased during the period of investigation despite the operation of Taiwan's self-restraint program for exports and any chilling effect the filing of the petition may have had. They also found that LWR from Taiwan captured an increasing share of the market during the period. They concluded that these trends were likely to continue despite the restraint program. 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 56-57 (Views of Commissioners Eckes and Newquist).

[313] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27, Table 14.

[314] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[315] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-21 & Table 11 (Confidential Version). These three Taiwan producers include Ornatube Enterprise Co., Ltd., Vulcan Industrial Corp., and Yieh Mau Corp. (formerly Yieh Hsing). Id. at A-21.

Taiwan LWR producers also reported production ranging from *** short tons in 1985 to *** short tons in 1988 and export shipments to the United States totaling *** short tons in 1988.[316]

The antidumping order has had a restraining effect on the volume of subject imports from Taiwan. As discussed above in the cumulation section, following the imposition of the orders, imports of LWR from Taiwan fell to 5,375 short tons in 1989, then rose again to 14,188 short tons in 1990. After Commerce revised the dumping margin for the principal Taiwan exporter significantly upward in an annual review, subject imports from Taiwan fell from 8,519 short tons in 1991 to 2,620 short tons in 1992 and have been minimal or zero thereafter.[317]

The record in these second reviews indicates that the volume of subject imports from Taiwan likely would be significant if the order were revoked. No information was provided in these reviews on the subject producers' current capacity and production levels for LWR or the industries' export orientation, and there is no indication that the Taiwan LWR industry has changed significantly since the original investigations, when its capacity and unused capacity levels were substantial and it exported nearly *** percent of its production.[318] Subject producers from Taiwan rapidly gained market share during the original investigation.

As mentioned above, the LWR market in the United States has experienced significant growth since the original investigations. The United States is therefore an attractive market for exports, providing an incentive to Taiwan producers to shift sales to the United States in the event of revocation.[319]

Based on the substantial volumes of exports to the United States and rapid gains in market share during the original investigations, the continued presence of subject LWR from Taiwan in the U.S. market (albeit at minimal levels); the high substitutability of the domestic like product and subject imports from Taiwan; the substantial excess unused capacity available in the industry; and the attractiveness of the U.S. market, Taiwan producers would have an incentive to shift significant volumes of exports back to the United States if the order were revoked. We therefore find that the likely volume of subject imports would be significant if the order were revoked.

b. Likely Price Effects of Subject Imports

The Commission's determinations regarding the likely price effects of subject imports from Taiwan during the original investigations and first reviews are presented above in subsection IV.B.3.b.

Because subject LWR imports from Taiwan have been minimal during these second reviews, the record does not contain current meaningful U.S. pricing or average unit value information on such

---

[316] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-21, Table 11 (Confidential Version).

[317] CR at LWR-I-1, PR at LWR-I-1; 2000 Sunset Determination, USITC Pub. 3316 at Table D-3; App. F at F-9. Since 1994, nominal quantities of less than 300 short tons of subject imports from Taiwan have entered the U.S. market in eight of the last 12 years. 2000 Sunset Determination, USITC Pub. 3316 at Table D-3; CR/PR, Table LWR-IV-1.

[318] The only new information on this record pertains to the entire Taiwan carbon steel pipe and tube industry, which includes LWR. These data indicate that five of the seven identified producers of carbon steel pipe and tube in Taiwan have an estimated production capacity of 583,000 short tons. CR/PR, Table E-6. While these data overstate the actual production capacity of the LWR industry in Taiwan, they support our finding that the Taiwan LWR industry continues to have substantial production capacity. This information also suggests that Taiwan producers of LWR have the ability to produce other carbon steel pipe and tube products on the facilities they use to produce LWR and could shift production to LWR if the order were revoked, although we do not rely on product shifting as a basis for our conclusion on likely subject import volume. See CR/PR, Table LWR-IV-6.

[319] We note that the record does not contain any information suggesting that LWR from Taiwan are subject to trade barriers in other export markets, nor is there any information regarding the size of inventories of LWR from Taiwan.

imports. During the original investigations, the period for which the most recent price data are available, subject imports from Taiwan undersold the domestic like product in 33 of 35 quarterly comparisons for which data were available.[320]

The current record shows that price is an important consideration in purchasing decisions. Twelve out of 16 purchasers responding to the Commission's questionnaires indicated that price was the first or second most important factor in selecting a supplier.[321] All 16 responding purchasers also indicated that price was a very important factor in their purchasing decisions, while nine out of 16 purchasers reported discounts offered as a very important factor in their purchasing decisions.[322] Moreover, ***.[323]

In light of the high substitutability of the domestic like product and subject LWR from Taiwan, the interest expressed by a current purchaser of subject LWR from Taiwan, as well as the demonstrated willingness of subject Taiwan producers to undersell the domestic like product to gain market share during the original investigations together with our finding of significant likely volume of subject LWR from Taiwan, we conclude that, if the order were revoked, subject LWR from Taiwan would likely undersell the domestic like product in order to gain market share, forcing U.S. producers either to lower prices or risk losing market share. We therefore conclude that, were the order revoked, subject imports from Taiwan would likely significantly increase at prices that would likely significantly undersell the domestic like product and those imports would have a significant depressing or suppressing effect on prices for the domestic like product.

c. Likely Impact of Subject Imports

For the reasons set forth in our discussion of the likely impact of imports from Argentina, we determine that the domestic industry is not currently vulnerable to material injury if the antidumping duty order were revoked. Nevertheless, given the generally substitutable nature of subject imports from Taiwan and the domestic like product and the attractiveness of the U.S. market, we find that the significant likely volume of low-priced subject LWR, when combined with the likely adverse price effects of those imports, would likely have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, shipments, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the antidumping duty order on LWR from Taiwan were revoked, subject imports from Taiwan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time. Thus, we determine that revocation of the antidumping duty order on LWR from Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## CONCLUSION

For the foregoing reasons, we determine under section 751(c) of the Act that revocation of the countervailing duty order on CWP from Turkey and revocation of the antidumping duty orders on CWP from Brazil, India, Korea, Mexico, Taiwan, Thailand and Turkey would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

---

[320] CR at LWR-V-8, PR at LWR-V-5.

[321] CR/PR, Table LWR-II-1.

[322] CR/PR, Table LWR-II-2.

[323] CR/PR, Table D-6.

We determine that revocation of the antidumping duty order on LWR from Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further determine that revocation of the antidumping duty order on LWR from Argentina would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

# ADDITIONAL AND DISSENTING VIEWS OF COMMISSIONERS KOPLAN AND LANE

## I. INTRODUCTION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that termination of the orders on light-walled rectangular pipe (LWR) from Argentina and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. In doing so, we find that imports from either subject country would not have no discernable adverse impact on the domestic industry if the orders were revoked and that it is appropriate to cumulate the subject imports from Argentina with those from Taiwan. We join in parts I, II, and III of the Views of the Commission.[1]

## II. CUMULATION OF SUBJECT IMPORTS OF LWR FROM ARGENTINA AND TAIWAN

### A. Framework

The standards for cumulation are set forth above in subsection III.A.1.

In these second reviews, Domestic Producers argue that the Commission should exercise its discretion to cumulate subject imports from Argentina and Taiwan. Siderar contends that the Commission should not cumulate subject imports from Argentina and Taiwan. It maintains that revocation of the orders on subject imports from Argentina will likely have no discernible adverse impact on the domestic industry. Siderar also maintains that there is not likely to be a reasonable overlap of competition between imports from Argentina and imports from Taiwan and the domestic like product. It further argues that likely conditions of competition differ with respect to subject imports from Argentina, on the one hand, and subject imports from Taiwan, on the other.

The statutory requirement that all LWR reviews be initiated on the same day is satisfied, as the Department of Commerce initiated the reviews on July 1, 2005.[2] We now examine the likelihood of no discernible adverse impact, whether there is a reasonable overlap of competition, and the likely conditions of competition.

### B. Likelihood of No Discernible Adverse Impact

We do not find that subject imports of LWR from Argentina and Taiwan would likely have no discernible adverse impact on the domestic industry if the antidumping duty orders were revoked.

*Argentina.* During the original investigation, subject imports increased from 121 short tons in 1985 to 1,846 short tons in 1986, and to 14,744 short tons in 1987.[3] The Argentine industry became increasingly export oriented, with exports accounting for *** percent of production in 1985, *** percent in 1987, and *** percent in interim (January through September) 1988, with the large majority

---

[1] In addition, except as noted, we adopt the discussion of LWR "Conditions of Competition" contained in the Views of the Commission.

[2] 70 Fed. Reg. 38101 (July 1, 2005).

[3] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27, Table 14; 1989 Argentina Determination, USITC Pub. 2187 at A-3. The U.S. market share of subject imports from Argentina rose from zero percent in 1985, to 0.7 percent in 1986, and 5.1 percent in 1987. Id. at A-30, Table 16.

of such exports going to the United States.[4] The Commission received capacity, production and export data for 12 Argentine firms from the Argentine Association of Pipe and Tube Manufacturers in the original investigation. The data show that Argentine production capacity ranged from 119,290 short tons in 1985 to 158,746 short tons in 1987; their capacity utilization ranged from 42.5 percent to 55.7 percent in 1987.[5] They reported production ranging from 50,757 short tons in 1985 to 88,361 short tons in 1987.[6]

In the first reviews, there were no imports of LWR from Argentina during the period January 1997 through September 1999.[7] No Argentine producers responded to the Commission's questionnaire.[8] The record in the first reviews, therefore, did not indicate the number of producers of LWR in Argentina, the capacity utilization level of the Argentine industry, or the relative importance of exports to that industry.[9]

The volume of LWR imports from Argentina was zero short tons in each year from 1999 to 2005 with the exception of two years. In 2000, there were 3 short tons of imports from Argentina. In 2002, there were 14 short tons.[10] The market share held by LWR from Argentina was less than 0.05 percent throughout the period 1999 to 2005.[11]

In these second reviews, the Commission sent questionnaires to five firms identified by either the parties, proprietary Customs data, Commerce publications, or other public sources as potential Argentine producers of LWR.[12] Four firms responded that they did not produce or export LWR at any time since January 1999.[13] Two Argentine producers, Tubos Argentinos and Siderar provided the Commission with partial data on their LWR operations.[14] No firm identified in these second reviews as a potential Argentine producer of LWR failed to provide the Commission with a response.[15]

---

[4] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-25, Table 12; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[5] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at Table 12 (Confidential Version); 1989 Argentina Determination, USITC Pub. 2187 at A-3. The Argentine Association of Pipe and Tube Manufacturers also provided data for the period January through September 1987 and 1988. Capacity was higher in interim 1988 (91,158 short tons) compared to the same period in 1987 (37,548 short tons); capacity utilization was also higher in interim 1988 (92.7 percent) than in interim 1987 (83.9 percent). Production was higher in interim 1988 (84,477 short tons) than in interim 1987 (56,672 short tons). The share of shipments to the United States was higher in interim 1988 (*** percent) compared to interim 1987 (*** percent). Id.

[6] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at Table 12 (Confidential Version); 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[7] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-IV-1.

[8] 2000 Sunset Determination, USITC Pub. 3316 at LWR-IV-4 (staff identified three possible producers in Argentina, two of which responded that they do not produce LWR).

[9] 2000 Sunset Determination, USITC Pub. 3316 at LWR-IV-4.

[10] CR/PR, Table LWR-IV-1.

[11] CR/PR, Table LWR-IV-1.

[12] CR at LWR-IV-9, PR at LWR-IV-7. These firms include Acindar S.A.; M. Royo, S.A.; Tenaris Siat, S.A.; Tubhier, S.A.; and Tubos Argentinos. Id.

[13] CR at LWR-IV-9-10, PR at LWR-IV-7. The following firms provided a response indicating that they did not produce or export LWR to the United States between 1999 and 2005: M. Royo, S.A., Tenaris Siat, S.A., Tubhier, S.A., and Rapi-Estant. The Commission sent a request for data on the LWR industry in Argentina to the Iron and Steel Institute of Argentina, which forwarded the Commission's questionnaire to Rapi-Estant. CR at LWR-IV-10, PR at LWR-IV-7.

[14] CR at LWR-IV-10, PR at LWR-IV-7.

[15] See CR at LWR-IV-9-10, PR at LWR-IV-7-8.

Siderar is a recent entrant to the Argentine industry, purchasing the assets of former Argentine producer Acindar S.A. in January 2006.[16] The majority of its predecessor's shipments from 2003 to 2005 increasingly went to ***.[17] Siderar states that it does not intend to export LWR to the United States.[18] Tubos Argentinos *** exports of subject merchandise to the United States during the period examined, though the Commission Report indicates that ***.[19] It also reported that *** of its production in 2005 was sold in ***.[20] The two Argentine producers indicated that their capacity utilization for all steel welded pipe products in 2005 was *** percent, while their reported capacity utilization for LWR in 2005 was *** percent.[21] They further reported that their production capacity was *** short tons in 2005 and production was *** short tons in that year.[22] In 2005, the two firms reported that *** percent of their total shipment quantities were to *** and *** percent of total shipments were exported to the surrounding Mercosur region.[23]

Argentine production capacity and capacity utilization data are limited and incomplete. The information available indicates, however, that there was excess capacity in 2005, notwithstanding Siderar's arguments that Argentine producers do not have the capacity to export large quantities of subject LWR and are not export oriented. While we acknowledge that the majority of Argentine shipments of LWR in 2005 were to the ***, the cessation of subject imports from Argentina is a function of the order. We note that in the period examined in the original investigations, Argentina's capacity utilization ranged from 42.5 percent in 1985 to 55.7 percent in 1987, while exports of LWR to the United States increased substantially.[24] Though the Argentine industry's capacity and production have decreased since the original investigations, both *** to the production of LWR.[25]

Despite Siderar's argument that it lacks incentive to export to the United States in light of transportation costs and a growing home market economy, the attractiveness of the U.S. market because of its size, openness, and high prices would provide an incentive to shift to sales to the United States in the event of revocation. Indeed, the record indicates that ***.[26] Home market prices for LWR in the United States were substantially higher than in Argentina in 2005.[27] Siderar also concedes that it does not have any long-term contract that would prevent the firm from shifting sales to the United States. It also admits that it could establish customer relationships through its affiliation with Mexican CWP producer Hylsa.[28]

---

[16] Tr. at 194 (Winton); CR at LWR-IV-I0, PR at LWR-IV-7. Siderar provided available information on Acindar's operations between 2002 and 2005; Tubos Argentinos provided trade data only on its operations in 2005. CR at LWR-IV-10 n.5, PR at LWR IV-5.

[17] CR/PR, Table LWR-IV-5.

[18] Siderar Prehearing Brief at 3.

[19] CR/PR, Table LWR-IV-4 n.1, Table LWR-IV-1.

[20] Tubos Argentinos Foreign Producer's/Exporter's Questionnaire Response at 11.

[21] CR/PR, Table LWR-IV-5, Table LWR-IV-6.

[22] CR/PR, Table LWR-IV-5.

[23] CR/PR, Table LWR-IV-5; Siderar Foreign Producers Questionnaire Response at App. 2-3.

[24] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at Table 12 (Confidential Version); 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[25] See CR/PR, Table LWR-IV-6, CR at LWR-IV-10 n.6, PR at LWR-IV-7 n.6.

[26] CR/PR, Table LWR-IV-4.

[27] Compare CR/PR, Table LWR-III-7 (indicating that the average unit value for LWR in the United States was $936) with Table LWR-IV-5 (indicating that the average unit value of LWR in Argentina was $***).

[28] Siderar Posthearing Brief at 3; Tr. at 246, 261 (Winton).

We also find, as addressed more fully below, that subject imports from Argentina are good substitutes for the domestic like product and that price is an important consideration in purchasing decisions. During the original investigations, the period for which the most recent price data are available, subject imports from Argentina undersold the domestic like product in all quarterly comparisons for which data were available.[29]

Accordingly, we conclude based on the substantial exports to the United States during the original investigations, the excess capacity available in the Argentine LWR industry, and the limited presence of subject imports from Argentina in the U.S. market, albeit at minuscule levels, that subject imports from Argentina likely would have a discernible adverse impact on the domestic industry absent the order.

*Taiwan.* During the original investigation, the quantity of LWR imports from Taiwan was 406 short tons in 1985, 9,975 short tons in 1986, and 14,770 short tons in 1987.[30] The market share held by LWR from Taiwan was less with 0.2 percent in 1985, 3.8 percent in 1986, and 5.1 percent in 1987.[31] Information on the relative export-orientation of the industry was not available at the time of the original investigation.[32] Three Taiwan producers in the original investigations reported capacity ranging from *** short tons in 1985 to *** short tons in 1988; their capacity utilization ranged from *** percent to *** percent in 1988.[33] The three firms reported production ranging from *** short tons in 1985 to *** short tons in 1988 and export shipments to the United States totaling *** short tons in 1988.[34]

In the first reviews, the volume of imports of LWR from Taiwan was zero short tons in 1997, 47 short tons in 1998, and 38 short tons from January through September 1999, compared with 31 short tons from January through September 1998.[35] The market share held by LWR from Taiwan was less than 0.05 percent throughout the period 1997 through September 1999.[36] Because no Taiwan producer responded to the Commission's questionnaire, the record in those reviews did not indicate the current number of producers of LWR in Taiwan, the capacity utilization level of the Taiwan industry, or the relative importance of exports to that industry.[37]

In these second reviews, the quantity of subject imports from Taiwan was 77 short tons in 1999, 23 short tons in 2000, 13 short tons in 2001, zero short tons in 2002 and 2003, 59 short tons in 2004, and 277 short tons in 2005.[38] The market share held by imports of LWR from Taiwan was less than 0.05 percent by quantity throughout the period 1999 to 2005; in 2005, the market share held by imports of

---

[29] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at Table 17; 1989 Argentina Determination, USITC Pub. 2187 at A-3. Thirty-four comparisons were possible.

[30] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27, Table 14.

[31] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[32] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-21; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[33] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-21& Table 11 (Confidential Version). These three Taiwan producers include Ornatube Enterprise Co., Ltd., Vulcan Industrial Corp., and Yieh Mau Corp. (formerly Yieh Hsing). Id.

[34] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at Table 11 (Confidential Version) p.A-21.

[35] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-IV-1.

[36] 2000 Sunset Determination, USITC Pub. 3316 at Table LWR-I-1.

[37] 2000 Sunset Determination, USITC Pub. 3316 at LWR-IV-4 (three possible producers in Taiwan were identified and sent a foreign producer's questionnaire).

[38] CR/PR, Table LWR-IV-1.

LWR from Taiwan was reported at 0.1 percent by value.[39] The record does not indicate the current number of producers of LWR in Taiwan, the capacity utilization level of the Taiwan industry, or the relative importance of exports to that industry.[40] No Taiwan producer reported data to the Commission on its LWR operations.[41] The record does, however, indicate there are currently at least seven producers of carbon steel pipe and tube, which includes LWR, in Taiwan.[42] Five of the seven listed producers of carbon steel pipe and tube have an estimated production capacity of 583,000 short tons.[43]

In our view, the cessation of subject imports from Taiwan during the first and second reviews is a function of the order. Though nominal, there were some subject imports from Taiwan during some portion of these second review periods, even with the orders in place, indicating that Taiwan producers continue to maintain commercial contacts with prospective U.S. purchasers or importers. We also find that the attractiveness of the U.S. market because of its size, openness, and high prices would provide an incentive to shift to sales to the United States in the event of revocation. Indeed, ***.[44] We therefore conclude, based on the substantial exports to the United States during the original investigations, their continued presence in the U.S. market, albeit at nominal levels, that subject imports from Taiwan likely would have a discernible adverse impact on the domestic industry absent the order.

### C. Likelihood of a Reasonable Overlap of Competition

We now examine the four factors the Commission customarily considers in determining whether there is a likely reasonable overlap of competition. With regard to likely overlap of competition, we note that the relevant inquiry is whether there would likely be competition even if there are no current imports from a subject country.[45] Further, only a "reasonable overlap" of competition is required.[46]

In the original investigations, two Commissioners cumulated subject imports from Argentina and Taiwan for purposes of their material injury analysis.[47] Specifically, they found that domestic and subject LWR were fungible; imports from Argentina and Taiwan frequently entered the United States through the same ports and were sold in the same markets; a substantial portion of the subject imports were sold to end users through steel service centers; and subject imports from both countries were present throughout

---

[39] CR/PR, Table LWR-IV-1.

[40] CR at LWR-IV-15-16, PR at LWR-IV-8-9.

[41] Staff identified eight possible producers in Taiwan, and also sent a LWR foreign producers' questionnaire to eleven other firms identified as CWP producers in Taiwan. CR at CIRCULAR-IV-35, LWR-IV-15, PR at CIRCULAR-IV-21-22, LWR-IV-8-9. Two firms provided a questionnaire response indicating that they did not produce or export LWR to the United States during the period examined. CR at LWR-IV-15, PR at LWR-IV-9.

[42] CR at LWR-IV-14, PR at LWR-IV-8. Carbon steel pipe and tube comprises LWR as well as CWP, seamless and other types of pipes and tubes outside the scope of these reviews. CR/PR, Table E-6 n.1.

[43] CR/PR, Table E-6.

[44] CR/PR, Table D-6.

[45] See generally Chefline Corp. v. United States, 219 F. Supp.2d 1313, 1314 (Ct. Int'l Trade 2002).

[46] See Mukand Ltd. v. United States, 937 F. Supp. 910, 917 (Ct. Int'l Trade 1996).

[47] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 8-9 (Views of Commissioners Brunsdale and Cass); 1989 Argentina Determination, USITC Pub. 2187 at 7-8 (Views of Commissioners Brunsdale and Cass). Commissioners Eckes and Newquist made affirmative threat determinations on a non-cumulated basis. Commissioners Lodwick and Rohr reached negative determinations based on a finding of no material injury (without reaching cumulation or causation) and a non-cumulated threat analysis.

the period of investigation. These Commissioners noted that no party disputed the propriety of cumulation.[48]

In the first reviews, the Commission cumulated subject imports from Argentina and Taiwan for purposes of determining whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. The Commission also found a likely overlap of competition among subject imports from Taiwan and Argentina and the domestic like product. It found that both subject and domestic LWR were commodity-like products produced to ASTM or similar specifications, were interchangeable with no non-price differences between the products, were sold to distributors, and were likely to be simultaneously present in the market if the orders were revoked. The Commission found that the domestic like product and imports (mainly nonsubject) of LWR were sold or offered for sale in the same geographic regions, namely the West Coast and the Southwest. The Commission did not find any significant differences in the conditions of competition under which subject imports from Argentina and Taiwan would be likely to compete in the U.S. market sufficient to warrant the exercise of its discretion not to cumulate subject imports.[49]

In these second reviews, Domestic Producers contend that there is a likely reasonable overlap of competition among the subject LWR imports and between LWR imports from each subject country and the domestic like product.[50] Siderar argues that LWR from Argentina are not fungible with the domestic like product and subject imports from Taiwan because LWR from Argentina are made to IRAM specifications, rather than ASTM specifications.[51] It also contends that LWR imports from Argentina and Taiwan would not compete in the same geographic markets.[52] The record in these reviews provides no reasons to depart from the prior overlap of competition findings concerning subject imports from Argentina and Taiwan.

*Fungibility*. Siderar argues that, if there were subject imports from Argentina in the U.S. market, those imports would not be fungible. Siderar maintains that LWR from Argentina are made to IRAM specifications, which contain less restrictive tensile and chemical requirements and dimensional tolerances. The record in these reviews indicates that LWR generally are manufactured to standard specifications established by ASTM.[53] Although the tensile requirements and chemical characteristics of the IRAM and ASTM specifications differ somewhat, the record contains sales materials from the ***, indicating that the IRAM specifications are equivalent to ASTM specifications.[54] As in the original investigations and first five-year reviews, the majority of market participants characterized the domestic like product and subject imports from Argentina and Taiwan as always or frequently interchangeable.[55] Moreover, purchasers were asked to compare various characteristics of domestically produced LWR and subject imports from Argentina and Taiwan. None of the 16 purchasers provided a response comparing domestically produced LWR and subject imports from Argentina using the various characteristics. Only

---

[48] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 7-9 (Views of Commissioners Brunsdale and Cass); 1989 Argentina Determination, USITC Pub. 2187 at 6-8 (Views of Commissioners Brunsdale and Cass).

[49] See 2000 Sunset Determination, USITC Pub. 3316 at 40-42.

[50] Domestic Producers Prehearing Brief at 4-6.

[51] See Tr. at 219 (Winton). Siderar claims that its produces LWR to the IRAM-IAS U 500-228 and IRAM-IAS U 500-2592 specifications. It filed a copy of those specifications with the Commission on May 10, 2006. Letter from Jeffrey Winton to Marilyn R. Abbott of May 10, 2006.

[52] See Siderar Prehearing Brief at 13-14.

[53] See CR at LWR-I-8, PR at LWR-I-6-7; Tr. at 104 (Schagrin), 219-220 (Winton).

[54] CR/PR, Table LWR-IV-4 n.1; Domestic Producers Posthearing Brief at Ex. 2.

[55] CR/PR, Table LWR-II-3.

two purchasers compared the domestic like product and subject imports from Taiwan, indicating that the U.S. product was at least comparable to subject LWR from Taiwan in all characteristics, with one exception.[56] Therefore, based on the record in these reviews, we find that subject imports both from Argentina and Taiwan and the domestic like product are fungible.

*Geographic Overlap*. Siderar also argues that subject imports from Argentina would compete in markets along the East or Gulf Coasts of the United States, while subject imports from Taiwan would compete in markets along the West Coast. The record from these reviews and the original investigations does not support Siderar's argument. Although two nominal entries of LWR from Argentina entered through ports along the East Coast during the period reviewed, minimal quantities of subject imports from Taiwan entered through ports across the country, including the East Coast.[57] In the original investigations, the Commission found that subject imports from Taiwan and Argentina frequently entered the United States through the same ports in California, Texas, and Puerto Rico.[58] The record from the original investigations further indicates that entries of LWR from Argentina and Taiwan also were made in Pennsylvania, Florida, and Louisiana.[59] This evidence suggests that there would likely be a reasonable geographic overlap of competition between subject imports from Argentina and Taiwan and between the subject imports and the domestic like product, which generally is sold nationwide.[60]

*Channels of Distribution*. During the period of review, the majority of domestically produced LWR and nonsubject imports were sold by distributors. There were some sales by domestic producers to end users.[61] This is the same distribution pattern observed in the prior investigations and reviews.[62]

*Simultaneous Presence*. As there were virtually no subject imports during the period examined, LWR imports from Argentina and Taiwan were not simultaneously present in the U.S. market during the period of review.[63] This appears to be a function of these imports largely exiting the U.S. market after imposition of the orders. The relevant inquiry, however, is whether subject imports likely would be simultaneously present if the orders were revoked. Those Commissioners who addressed the issue in the original investigations found that imports of LWR from both Argentina and Taiwan were simultaneously present.

*Conclusion*. The current record indicates that the competition criteria are satisfied. We consequently conclude that the subject imports from Argentina and Taiwan will likely compete with each other and with the domestic like product should the orders under review be revoked.

---

[56] CR/PR, Table LWR-II-5. One of the two responding purchasers indicated that the U.S. product was inferior to subject LWR from Taiwan in terms of price. Id.

[57] CR at LWR-IV-6, PR at LWR-IV-5.

[58] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 8.

[59] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-27; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[60] The domestic like product is sold nationwide by three U.S. producers, and a fourth U.S. producer sells LWR in all states except Hawaii. The 10 other U.S. producers of LWR generally limit their sales to one or more specific regions of the United States. CR at LWR-II-1, PR at LWR-II-1. Moreover, the fact that the two firms that purchased small quantities of subject imports from Taiwan during the period reviewed are located in the western United States does not detract from our determination because the record as a whole indicates that subject imports from Argentina and Taiwan and the domestic like product are offered for sale in the same geographic regions in the United States. CR/PR, Table LWR-I-9.

[61] CR/PR, Table LWR-I-6.

[62] 2000 Sunset Determination, USITC Pub. 3316 at LWR-I-14; 1989 LWR from Taiwan Determination, USITC Pub. 2169 at A-9; 1989 Argentina Determination, USITC Pub. 2187 at A-3.

[63] CR/PR, Table LWR-IV-4.

### D. Other Considerations

In determining whether to exercise our discretion to cumulate subject imports from Argentina and Taiwan, we assess whether the subject imports from each country are likely to compete under similar or different conditions of competition in the U.S. market.

Siderar contends that there would likely be differences in volume trends between LWR from Argentina and Taiwan, because the U.S. market may be more attractive to Taiwan producers of LWR in light of competition in their domestic market with Chinese imports, whereas Argentine producers are not competing with Chinese imports in their home market.[64] As discussed above, we believe that the United States is an attractive market because of its size, openness, and higher prices for both Argentine and Taiwan producers of LWR. We therefore find Siderar's argument meritless. Consequently, we exercise our discretion to cumulate subject imports from Argentina and Taiwan.

## III. REVOCATION OF THE ORDERS ON SUBJECT IMPORTS FROM ARGENTINA AND TAIWAN IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

### A. Likely Volume of the Cumulated Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[65] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[66]

In its original determinations, those Commissioners that cumulated subject imports from Argentina and Taiwan found the domestic LWR industry to have been injured by subject imports over the period of investigation.[67] Subject imports increased rapidly over the original period of investigation. Cumulated subject import volume was 527 short tons in 1985, 11,821 short tons in 1986, 29,514 short tons in 1987, the last full year before the orders went into effect, and 41,371 short tons in the first nine months of 1988.[68] Between 1985 and 1987, the cumulated market penetration for these two countries, measured by quantity, increased from 0.2 percent to 10.2 percent.[69] In the first nine months of 1988, market penetration increased to 16.7 percent.[70]

---

[64] See Siderar Posthearing Brief at 2 n.2.

[65] 19 U.S.C. § 1675a(a)(2).

[66] 19 U.S.C. § 1675a(a)(2)(A-D).

[67] 1989 LWR from Taiwan Determination, USITC Pub. 2169 at 9.

[68] 1989 Staff Report, LWR from Taiwan, Table 14.

[69] CR/PR at Table LWR-I-1.

[70] 1989 Staff Report LWR from Taiwan, Table 16.

The orders effectively curtailed subject imports. Cumulated subject import volume was less than 500 short tons per year throughout the period of review.[71] Although the volume of cumulated subject imports is only a fraction of what it was during the original investigations, we must nevertheless determine whether that volume is likely to be at significant levels if the restraining effect of the antidumping duty orders is eliminated. For the following reasons, we find that a significant import volume is likely if the orders were revoked.

The limited information available indicates that industries in the subject countries possess substantial capacity to produce steel pipe. Data gathered during the original investigations indicated that there were 12 manufacturers of LWR in Argentina and at least three manufacturers in Taiwan during the original period of investigation. Both capacity and production of LWR in Argentina expanded rapidly in 1987 and in interim 1988.[72] Exports to the United States accounted for the largest share of this increase.[73] Data submitted during the original investigation by Taiwan producer Ornatube, covering the three producers Ornatube Enterprise Co. Ltd., Vulcan Industrial Corp., and Yieh Mau Corp. indicated that these producers also rapidly increased both capacity and production of LWR over the original period of investigation.[74] These rapid increases indicate the ability of pipe producers in the subject countries to increase production of LWR.

In the current reviews, two firms have provided partial data on their LWR operations. Four firms in Argentina responded that they did not produce or export LWR to the United States between 1999 and 2005. A public source (Simdex Publishing) reports there are at least three producers in Argentina with the capacity to produce pipes and tubes in the size range covered by LWR. Simdex Publishing lists capacity of only one firm, the former Acindar, with annual overall capacity to produce pipes and tubes of 61,000 tons.[75]

The Taiwan Steel and Iron Industries Association ***. Simdex Publishing reports that there are at least seven producers of pipes and tubes in Taiwan. The capacity for the five of these producers with published capacity data is 583,000 short tons.[76]

The Commission Report notes that "due to the nature of the production of LWR pipe and tube, any producer of LWR pipe and tube can stop production of the subject merchandise and still run the underlying pipe and tube mill for the production of circular welded pipe and tube by removing the flattening gauges (for rectangular shaping) from the end of the production line. In such instances, especially if a firm has not sold or scrapped its gauges, a firm could re-enter the LWR pipe and tube market by simply reinstalling the idled gauges."[77]

The facts available indicate substantial unused capacity in the subject countries. Capacity utilization rates for the two firms in Argentina that provided data on production of LWR, Siderar and Tubos Argentinos, reported that capacity utilization for the production of LWR was *** percent in 2005, and that capacity utilization for overall pipe operations of the two firms was *** percent that same year.

---

[71] CR/PR at Table LWR-I-1.

[72] Capacity increased 33.1 percent in 1987 over 1986 and was 35.0 percent higher January-September 1988 than January-September 1987. Production was 74.1 percent higher in 1987 than in 1985, and 49.1 percent higher January-September 1988 compared to January-September 1987. (See 1989 Staff Report LWR from Taiwan, page A-36)

[73] See 1989 Staff Report LWR from Taiwan, Table 12, page A-37.

[74] Capacity for the three producers increased by 85.4 percent between 1985 and 1988, and production of LWR increased by 89.4 percent over the same period. (See 1989 Staff Report LWR from Taiwan, page A-32)

[75] CR at LWR-IV-9, PR at LWR-IV-7; CR/PR, Table E-1.

[76] CR at LWR-IV-14, PR at LWR-8; CR/PR, Table E-6.

[77] CR at LWR-IV-10 n.6, PR at LWR-IV-7 n.6.

Production of LWR by these two firms in 2005 accounted for *** percent of their overall pipe operations.[78] There were no capacity utilization data provided by producers in Taiwan in these current reviews. Over the original period of investigation, capacity utilization reported by producers in Taiwan ranged from *** percent in 1985 to *** percent in 1987.[79]

As was the case in the original investigations, U.S. consumption of LWR has increased over the period of the current review. Between 1999 and 2005, apparent consumption increased 5.8 percent.[80] The U.S. market remains a large and attractive one. In 2005, import sources accounted for 42.6 percent of U.S. apparent consumption. There do not appear to be significant structural constraints on subject producers' ability to reenter the U.S. market in the event of revocation.[81] Further, in January 2006, Siderar purchased the operations of Argentine producer Acindar. Both Siderar and Mexican producer Hylsa are owned by the Terium Group. If the orders were revoked, Siderar would be able to make use of the existing sales network of its affiliate.[82] Consequently, we find it likely that absent the restraining effect of the orders, producers in the subject countries would rapidly increase the capacity devoted to and production of LWR, as in the original period of investigation.

### B. Likely Price Effects of the Cumulated Subject Imports

In evaluating the likely price effects of cumulated subject imports if the antidumping duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.[83]

In the original determinations, the Commission found widespread underselling by the subject imports. Subject imports from Argentina undersold the comparable domestic products in all 34 possible comparisons. Imports from Taiwan undersold comparable domestic products in 33 of 35 possible comparisons.[84] Those domestic producers that reported financial data reported increasing average unit values between 1985 and 1987, and between interim 1987 and interim 1988, driven by the increasing cost of goods sold per ton.[85] In contrast, the average unit value of subject imports, c.i.f. duty-paid, declined

---

[78] See CR/PR Tables LWR-IV-5 and LWR-IV-6.

[79] See 1989 Staff Report LWR from Taiwan, Table 11, page A-31.

[80] CR/PR Table C-2.

[81] Domestic producers predominately sell LWR to distributors. The two importers that supplied information on channels of distribution reported that ***. See CR at LWR-I-10, PR at LWR-I-9. In these reviews, all responding importers and purchasers that were familiar with both the domestic product and subject imports reported that LWR from Argentina and Taiwan are always interchangeable with the domestic like product. See CR/PR at Table LWR-II-3.

[82] See Tr. at 246 (Winton).

[83] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[84] 1989 Staff Report, LWR from Taiwan, Tables 17 and 18.

[85] The average unit value of net sales per short ton increased from $517 in 1985 to $559 in 1987, and from $547 in interim 1987 to $657 in interim 1988. The cost of goods sold per short ton increased from $460 in 1985 to $508 in 1987, and from $502 in interim 1987 to $595 in interim 1988. (See 1989 Staff Report, LWR from Taiwan, Table 7.)

between 1985 and 1987, before increasing in interim 1988 compared to interim 1987. In 1987 and in interim 1988, the period in which subject import volume and market share increased most rapidly, the average unit value of subject imports was below the average unit value of imports from all other major import sources, and below the average unit value of domestic producers.[86]

In light of the virtual elimination of imports from the subject countries since the orders were issued, price comparison data for the current period of review are limited. As discussed above in the section on "Conditions of Competition," prices in the U.S. market are competitive and the domestic like product, subject imports, and nonsubject imports are substitutable.[87] Because of this, if the orders were revoked subject imports would need to be priced aggressively to regain market share, as they did in 1987 and interim 1988. Thus, we find that the pricing patterns observed in the original investigations are likely to recur and the subject imports would likely undersell the domestic like product so as to significantly suppress domestic prices. As noted above, the subject imports are likely to increase significantly in the reasonably foreseeable future if the antidumping duty orders are revoked. At these likely volumes, the subject imports from these countries would be likely to have significant depressing or suppressing effects on the prices of the domestic like product.

We find that the significant volumes of cumulated subject imports are likely to suppress the price increases necessary to compensate for the domestic industry's increasing costs. Over the period of review, domestic producers' prices have generally kept up with increases in cost of goods sold. We note in this regard that increasing prices in the U.S. market over the period of review are indicative of increasing material costs, much as in the original period of investigation.[88] In the event of revocation, we find it likely that increasing volumes of subject imports would keep domestic producers from recouping any increase in the cost of goods sold. We therefore find that there likely would be underselling by the subject imports that, when combined with increased volumes of subject imports, would likely lead to significant adverse price effects.

### C. Likely Impact of the Cumulated Subject Imports

In evaluating the likely impact of cumulated imports of subject merchandise if the antidumping duty orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[89] All relevant economic factors are to be considered within the context of the

---

[86] The average unit value of cumulated subject imports per short ton was $495 in 1985, $428 in 1987, and $495 in interim 1988 compared to $413 in interim 1987. (See 1989 Staff Report, LWR from Taiwan, Table 14, and Compare to Table 7.)

[87] In these reviews, all responding importers and purchasers that were familiar with both the domestic product and subject imports reported that LWR from Argentina and Taiwan are always interchangeable with the domestic like product. See CR/PR at Table LWR-II-3.

[88] See, e.g., CR/PR at Table C-2 and 1989 Staff Report, LWR from Taiwan, Table 7.

[89] 19 U.S.C. § 1675a(a)(4).

business cycle and the conditions of competition that are distinctive to the industry.[90] As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[91]

In the first review, the Commission found that "The condition of the domestic LWR industry has improved significantly since the imposition of the orders, both as a result of the orders themselves and as a result of growing demand in the U.S. construction sector."[92] Between 1987 and 1997, the initial year of the first period of review, subject import market share fell from 10.2 percent to zero. A comparison of domestic industry performance finds that domestic production, U.S. shipments, operating margin, employment, and capacity utilization were higher in 1997 than in 1987, and domestic producers' market share was 0.1 percentage point higher, even though apparent U.S. consumption was 82.6 percent higher.[93]

Data for the period of review concerning the industry's vulnerability are mixed. Several factors highlight the weakened condition of the industry. As discussed below, the industry's capacity, capacity utilization, production, market share, unit operating income, operating income as a share of sales, and employment fluctuated over the current period of review, but all declined between 1999 and 2005, and COGS as a share of sales increased. However, operating income, and unit operating income increased.

Producers' capacity decreased from 901 thousand short tons in 1999 to 886 thousand short tons in 2005, and production declined from 544 thousand tons to 451 thousand tons.[94] U.S. producers' market share declined from 69.8 percent in 1999 to 57.4 percent in 2005[95] and capacity utilization declined from 60.3 percent to 50.9 percent over the period.[96] Domestic producers' COGS as a share of sales increased from 78.4 percent in 1999 to 83.3 percent in 2005. However, domestic producers' operating income increased from $40.2 million in 1999 to $44.7 million in 2005, reaching a low of $21.5 million in 2003 and a high of $73.4 million in 2004. Unit operating income followed a similar trend. Unit operating income was $81 per ton in 1999 and $98 per ton in 2005. One of 14 reporting domestic producers reported losses in 2005. Operating income as a percent of net sales was 13.9 percent in 1999 and 10.4 percent in 2005.[97] The number of production workers in the industry decreased slightly from 1,093

---

[90] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

Commerce found the following dumping margins: Argentina; 56.26 percent; Taiwan; 5.51 - 40.97 percent, with an "all others" rate of 29.15 percent. CR at LWR-I-4, PR at LWR-I-4.

[91] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[92] 2000 Sunset Determination, USITC Pub. 3316 at 45.

[93] CR/PR Table LWR-I-1.

[94] CR/PR at Table LWR-III-1. Domestic producer Maverick exited the LWR industry in 2005. CR at LWR-III-2, PR at LWR-III-2.

[95] CR/PR at Table LWR-I-5.

[96] CR/PR at Table LWR-III-1.

[97] CR/PR at Table LWR-III-7.

workers in 1999 to 1,059 in 2005.[98] Capital expenditures by the domestic industry displayed no clear trend. Capital expenditures were $7.7 million in 1999, reached a low of $5.8 million in 2002, a high of $10.8 million in 2003, and were $7.4 million in 2005.[99]

We have concluded that revocation of the antidumping duty orders with respect to Argentina and Taiwan would lead to significant increases in the volume of cumulated subject imports from those subject countries that would undersell the domestic like product and significantly suppress U.S. prices. In addition, the volume and price effects of the cumulated subject imports would have a significant negative impact on the production, shipments, sales, and revenues of the domestic industry. This reduction in the industry's production, shipments, sales, and revenues would adversely impact the industry's profitability and ability to raise capital and maintain necessary capital investments.

## CONCLUSION

In the original investigations the two Commissioners that cumulated subject imports from Argentina and Taiwan found that the domestic industry had been materially injured by reason of the increasing volumes of imports that were underselling the domestic like product.[100] In the first review, the Commission found that the substitutability of the subject imports for the domestic product, together with the inelastic demand for LWR and the likely significant volume of low-priced LWR imports that would follow revocation of the orders, would likely have significant adverse impacts on the domestic industry.[101] Based on the facts available in these reviews, we conclude that if the orders were revoked, there would likely be continuation or recurrence of material injury to the domestic industry producing LWR within a reasonably foreseeable time.

---

[98] CR/PR at Table LWR-III-5.

[99] CR/PR at Table LWR-III-10.

[100] 1989 LWR from Taiwan Determination, public version, page 9.

[101] USITC Pub. 3316, page 45.

# INTRODUCTION AND OVERVIEW

## BACKGROUND

On July 1, 2005, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930 ("the Act"), that it had instituted reviews to determine whether revocation of the countervailing duty order on certain circular welded nonalloy steel pipe and tube ("circular welded pipe and tube") from Turkey; the antidumping duty orders on certain circular welded nonalloy steel pipe and tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey; and the antidumping duty orders on light-walled rectangular pipe and tube ("LWR pipe and tube") from Argentina and Taiwan would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective October 4, 2005, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Table OVERVIEW-1 presents information relating to the background and schedule of these reviews.[1]

**Table OVERVIEW-1**
**Certain steel pipe and tube: Background information**

| Effective date | Action |
|---|---|
| August 22, 2000 | U.S. Department of Commerce ("Commerce") issues continuation orders following the first reviews (65 FR 50955) |
| July 1, 2005 | Commission's institution of reviews (70 FR 38204) |
| October 4, 2005 | Commission's decision to conduct full reviews (70 FR 60367, October 17, 2005) |
| November 7, 2005 | Commerce's final results of expedited reviews on LWR pipe and tube (70 FR 67432) |
| November 8, 2005 | Commerce's final results of expedited reviews on circular welded pipe and tube (70 FR 67662) |
| November 29, 2005 | Commission's scheduling of the reviews (70 FR 72467, December 5, 2005) |
| May 9, 2006 | Commission's hearing[1] |
| June 2, 2006 | Commission's revision to schedule (71 FR 33484, June 9, 2006) |
| June 29, 2006 | Commission's vote |
| July 18, 2006 | Commission's determination sent to Commerce |

[1] App. B presents a list of witnesses appearing at the hearing.

Source: Cited *Federal Register* notices.

## THE ORIGINAL INVESTIGATIONS

These reviews on the countervailing duty order for circular welded pipe and tube from Turkey; the antidumping duty orders for circular welded pipe and tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey; and the antidumping duty orders on LWR pipe and tube from Argentina and Taiwan, follow from a series of countervailing and antidumping duty petitions filed with Commerce and the Commission between 1983 and 1992. Table OVERVIEW-2 presents information on the dates of the original orders issued by Commerce, the products and countries covered, the investigation numbers at

[1] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found on the Commission's web site (www.usitc.gov). Commissioners' votes on whether to conduct an expedited or full review may also be found at the web site.

**Table OVERVIEW-2**
**Certain steel pipe and tube: Dates of original orders, subject merchandise and countries, investigation numbers, and *Federal Register* notices**

| Category | Order date | Subject merchandise | Country | Investigation number | | *Federal Register* notice |
|---|---|---|---|---|---|---|
| | | | | Commerce | Commission | |
| Circular welded pipe and tube | 5/7/84 | Small diameter carbon steel pipe tube | Taiwan | A-583-008 | 731-TA-132 | 49 FR 19369 |
| | 3/7/86 | Welded carbon steel pipe and tube | Turkey | C-489-502 | 701-TA-253 | 51 FR 7984 |
| | 3/11/86 | Welded carbon steel pipe and tube | Thailand | A-549-502 | 731–TA–252 | 51 FR 8341 |
| | 5/12/86 | Welded carbon steel pipe and tube | India | A-533-502 | 731–TA–271 | 51 FR 17384 |
| | 5/15/86 | Welded carbon steel pipe and tube | Turkey | A-489-501 | 731–TA–273 | 51 FR 17784 |
| | 11/2/92 | Circular welded nonalloy steel pipe | Brazil | A-351-809 | 731–TA–532 | 57 FR 49453 |
| | 11/2/92 | Circular welded nonalloy steel pipe | Korea | A-580-809 | 731–TA–533 | 57 FR 49453 |
| | 11/2/92 | Circular welded nonalloy steel pipe | Mexico | A-201-805 | 731–TA–534 | 57 FR 49453 |
| | 11/2/92 | Circular welded nonalloy steel pipe (large diameter) | Taiwan | A-583-814 | 731–TA–536 | 57 FR 49454 |
| LWR pipe and tube | 3/27/89 | Light-walled rectangular pipe | Taiwan | A-583-803 | 731–TA–410 | 54 FR 12467 |
| | 5/26/89 | Light-walled rectangular pipe | Argentina | A-357-802 | 731–TA–409 | 54 FR 22794 |

Source: Cited *Federal Register* notices.

both Commerce and the Commission, and the relevant *Federal Register* citations to the issuance of the subject orders.

On April 17, 1984, the Commission determined that an industry in the United States was materially injured by reason of imports of certain small diameter circular welded carbon steel pipes and tubes from Taiwan that were being sold in the United States at less than fair value ("LTFV").[2] Commerce issued an antidumping duty order on imports of certain small diameter circular welded carbon steel pipes and tubes from Taiwan on May 7, 1984.

On February 12, 1986, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of subsidized imports from Turkey and LTFV imports from Thailand of certain welded carbon steel pipes and tubes.[3] Commerce issued antidumping and countervailing duty orders on these products from Thailand and from Turkey on March 7 and March 11, 1986, respectively.

---

[2] *Certain Welded Carbon Steel Pipes and Tubes from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-131, 132, and 138 (Final),* USITC Publication 1519 (April 1984).

[3] *Certain Welded Carbon Steel Pipes and Tubes from Turkey and Thailand, Invs. Nos. 701-TA-253 and 731-TA-252 (Final),* USITC Publication 1810 (February 1986). Of the four affirmative voting Commissioners, two found material injury by reason of subject imports and two found threat of material injury by reason of subject imports.

On April 21, 1986, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of certain welded carbon steel pipes and tubes from India and Turkey.[4] Commerce issued antidumping duty orders on these products on May 12 and May 15, 1986, respectively.

On March 15, 1989, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of LWR pipes and tubes from Taiwan.[5] Commerce issued an antidumping duty order on the subject merchandise on March 27, 1989. On May 9, 1989, the Commission determined that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of LWR pipes and tubes from Argentina.[6] Commerce issued an antidumping duty order on these products on May 26, 1989.

On October 20, 1992, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of standard and structural pipes and tubes from Brazil, Korea, Mexico, Taiwan, and Venezuela.[7] On November 2, 1992, Commerce issued antidumping duty orders on these products.

## THE FIRST REVIEWS

On June 22, 2000, the Commission, pursuant to section 751(c) of the Act, determined that the revocation of the countervailing duty order on circular welded nonalloy steel pipes and tubes from Turkey and the antidumping duty orders on certain steel pipes and tubes from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission additionally determined that revocation of the antidumping duty order on circular welded steel pipe and tube from Venezuela and the antidumping duty order on LWR pipe and tube from Singapore would not be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[8] On August 22, 2000, Commerce published notice of the continuation of the countervailing duty order on circular welded nonalloy steel pipes and tubes from Turkey and the antidumping duty orders on certain steel pipes and tubes from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey.[9] Also on August 22, 2000, Commerce published notice of

---

[4] *Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, and Turkey, Invs. Nos. 731-TA-271 to 273 (Final),* USITC Publication 1839 (April 1986).

[5] *Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731 -TA-410 (Final),* USITC Publication 2169 (March 1989). Of the four affirmative voting Commissioners, two found material injury by reason of subject imports and two found threat of material injury by reason of subject imports.

[6] *Certain Light-Walled Rectangular Pipes and Tubes from Argentina, Inv. No. 731-TA-409 (Final),* USITC Publication 2187 (May 1989). Of the four affirmative voting Commissioners, two found material injury by reason of subject imports and two found threat of material injury by reason of subject imports.

[7] *Certain Circular, Welded, Non-Alloy Steel Pipes and Tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, Invs. Nos. 731-TA-532-537 (Final),* USITC Publication 2564 (October 1992).

[8] *Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela, Invs. Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276-277, 296, 409-410, 532-534, and 536-537 ("First Reviews"),* USITC Publication 3316 (July 2000).

[9] *Continuation of Antidumping Duty Orders: Light-Walled Rectangular Welded Carbon Steel Pipe and Tube From Argentina and Taiwan; Circular Welded Non-Alloy Steel Pipe and Tube from Brazil, Korea, Mexico, and Taiwan; Welded Carbon Steel Pipe and Tube From India, Thailand, and Turkey; and Small Diameter Standard and Rectangular Steel Pipe and Tube From Taiwan,* 65 FR 50955, August 22, 2000.

the revocation of the antidumping duty order on circular welded steel pipe and tube from Venezuela and the antidumping duty order on LWR pipe and tube from Singapore.[10]

## PREVIOUS AND RELATED TITLE VII INVESTIGATIONS

The Commission has conducted a number of previous import relief investigations on circular welded nonalloy steel pipe or substantially similar merchandise. Table OVERVIEW-3 presents data on previous and related title VII investigations.

**Table OVERVIEW-3**
**Certain welded pipe and tube: Previous and related title VII investigations**

| Product | Inv. No. | Year of petition | Country | Original determination | Current status |
|---|---|---|---|---|---|
| Circular welded pipe and tube | 701-TA-165 | 1982 | Brazil | Terminated | ([1]) |
| | 701-TA-166 | 1982 | France | Terminated | ([1]) |
| | 701-TA-167 | 1982 | Italy | Negative (P) | ([1]) |
| | 701-TA-168 | 1982 | Korea | Affirmative | ITA revoked--1985 |
| | 701-TA-169 | 1982 | West Germany | Terminated | ([1]) |
| | 701-TA-220 | 1984 | Spain | Terminated | ([1]) |
| | 731-TA-197 | 1984 | Brazil | Terminated | ([1]) |
| | 731-TA-198 | 1984 | Spain | Terminated | ([1]) |
| | 701-TA-242 | 1985 | Venezuela | Terminated | ([1]) |
| | 701-TA-251 | 1985 | India | ITA negative | ([1]) |
| | 701-TA-252 | 1985 | Taiwan | ITA negative | ([1]) |
| | 731-TA-211 | 1985 | Taiwan | Negative | ([1]) |
| | 731-TA-212 | 1985 | Venezuela | Terminated | ([1]) |
| | 731-TA-253 | 1985 | Venezuela | Terminated | ([1]) |
| | 731-TA-274 | 1985 | Yugoslavia | Terminated | ([1]) |
| | 731-TA-292 | 1986 | China | Negative | ([1]) |
| | 731-TA-293 | 1986 | Philippines | Negative | ([1]) |
| | 731-TA-294 | 1986 | Singapore | Negative | ([1]) |
| | 701-TA-311 | 1991 | Brazil | ITA negative | ([1]) |
| | 731-TA-537 | 1991 | Venezuela | Affirmative | ITC negative--2000 |
| | 731-TA-535 | 1991 | Romania | Negative | ([1]) |
| | 731-TA-732 | 1995 | Romania | Negative | ([1]) |
| | 731-TA-733 | 1995 | South Africa | Negative | ([1]) |
| | 731-TA-943 | 2001 | China | Negative | ([1]) |
| | 731-TA-944 | 2001 | Indonesia | Negative (P) | ([1]) |
| | 731-TA-945 | 2001 | Malaysia | Negative (P) | ([1]) |
| | 731-TA-946 | 2001 | Romania | Negative (P) | ([1]) |
| | 731-TA-947 | 2001 | South Africa | Negative (P) | ([1]) |

Table continued on next page.

[10] *Revocation of Antidumping Duty Orders: Circular Welded Non-Alloy Steel Pipe and Tube From Venezuela; Small Diameter Standard and Rectangular Pipe and Tube From Singapore; and Oil Country Tubular Goods From Canada and Taiwan*, 65 FR 50954, August 22, 2000.

**Table OVERVIEW-3--*Continued***
**Certain welded pipe and tube: Previous and related title VII investigations**

| Product | Inv. No. | Year of petition | Country | Original determination | Current status |
|---|---|---|---|---|---|
| LWR pipe and tube | 731-TA-138 | 1982 | Korea | Affirmative (partial) | ITA negative--1985 |
| | 731-TA-296 | 1986 | Singapore | Affirmative | ITC negative--2000 |
| | 731-TA-349 | 1987 | Taiwan | Negative | ([1]) |
| | 731-TA-730 | 1995 | Mexico | Negative (P) | ([1]) |
| | 731-TA-1054 | 2003 | Mexico | Negative | ([1]) |
| | 731-TA-1055 | 2003 | Turkey | Negative | ([1]) |

[1] Not applicable.

Note--This table does not include investigations concerning stainless steel welded pipe, line pipe, or oil country tubular goods, which include seamless tubular products.

Source: *Import Injury Investigation Case Statistics (FY 1980-2004)*, October 2005. Found at: http://www.usitc.gov/trade_remedy/USITC_Stat_Report-11-04-PUB.pdf

## PREVIOUS AND RELATED SAFEGUARD INVESTIGATIONS

Following receipt of a request from the Office of the United States Trade Representative ("USTR") on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974[11] to determine whether certain steel products, including welded pipe (both circular and LWR) of carbon and alloy (other than stainless) steel, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.[12] On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate ("Senate Finance Committee" or "Committee") requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.[13] Consistent with the Senate Finance Committee's resolution, the Commission consolidated the investigation requested by the Committee with the Commission's previously instituted investigation No. TA-201-73.[14] On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission reached an affirmative determination with respect to welded tubular products (both circular and LWR) other than oil country tubular goods ("OCTG")[15] and welded line pipe already subject to a safeguard action.[16]

---

[11] 19 U.S.C. § 2252.

[12] *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267, July 3, 2001.

[13] 19 U.S.C. § 2251.

[14] *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158, August 22, 2001.

[15] *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

[16] Following an affirmative determination by the Commission, in March 2000, President Clinton issued Proclamation 7274, imposing additional duties of 19 percent on line pipe imports of more than 9,000 short tons annually (including "dual-stenciled" pipe but excluding "arctic grade" line pipe). Canada and Mexico were not included in the remedy. Of the other foreign line pipe suppliers, only U.S. imports from Japan and Korea consistently exceeded the 9,000-short ton level in the years prior to the safeguard action. The additional duties

(continued...)

On March 5, 2002, following determinations regarding serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced the safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories for which the Commission made affirmative determinations or was evenly divided. Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. Import relief relating to welded tubular products (other than OCTG) consisted of an additional tariff of 15 percent *ad valorem* on imports in the first year, 12 percent in the second year, and 9 percent in the third year.[17] [18] The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.[19]

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which had entered into free trade agreements with the United States, and most developing countries that were members of the World Trade Organization.[20] The President's initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.

On September 19, 2003, the Commission submitted a mid-term report to the President and the Congress on the results of its monitoring of developments in the steel industry, as required by section 204(a)(2) of the Trade Act of 1974.[21] The Commission's monitoring report noted that, since the safeguard measures were instituted, the U.S. industry producing certain carbon and alloy welded pipe and tube had increased its market share to 62.9 percent from 57.3 percent, that the total quantity of imports from subject sources had declined, and that demand for welded pipe and tube during the relief period also had declined. The review also noted that because of declining demand, the industry's output-related indicators were mixed.[22]

---

[16] (...continued)
declined to 15 percent in March 2001 and to 11 percent in March 2002. In March 2002, Proclamation 7585, issued by President Bush, modified the line pipe safeguard measure with respect to Korea, such that additional duties on line pipe from Korea would only be applied on quantities in excess of 17,500 short tons per quarter. In March 2003, the line pipe safeguard action expired. *Steel: Monitoring Developments in the Domestic Industry, Investigation No. TA-204-9*, USITC Publication 3632, September 2003; *Certain Circular Welded Carbon Quality Line Pipe: Evaluation of the Effectiveness of Import Relief, Investigation No. TA-204-10*, USITC Publication 3628, August 2003; and *Proclamation 7741 of December 4, 2003: To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products* (68 FR 68483, December 8, 2003).

[17] *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002.

[18] The increased duties were reduced from 15 percent to 12 percent on March 20, 2003.

[19] The Department of Commerce published regulations establishing such a system on December 31, 2002.

[20] Of the countries subject to these reviews, safeguard measures were not applied to imports from Argentina and Mexico. While safeguard measures were applied to Brazil, India, and Turkey for certain steel products, safeguard measures were not applied to circular welded pipe and tube from these countries. Imports of welded pipe from Thailand were subject to the U.S. safeguard measures, notwithstanding that country's designation as a developing country WTO member.

[21] *Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9*, USITC Publication 3632, September 2003.

[22] *Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9*, Volume I, USITC Publication 3632, September 2003, p. xvi.

On December 4, 2003, President Bush terminated the U.S. measure with respect to increased tariffs, following receipt of the Commission's mid-point monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, having determined that the effectiveness of the action taken had been impaired by changed circumstances.[23] Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.[24]

On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by the President on imports of certain steel products. The Commission's report on the evaluation was transmitted to the President and the Congress on September 19, 2005.

In 2005, the Commission conducted a China-specific safeguard investigation on circular welded nonalloy steel pipe (Inv. No. TA-421-6). Following the Commission's affirmative determination of market disruption or threat of market disruption and remedy recommendations, the President issued a proclamation on December 30, 2005, determining not to impose temporary import relief.[25]

## STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

### Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> > *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
> >
> > *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*

---

[23] *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003.

[24] Proclamation 7741 terminated the tariff-rate quota and the increased import duties on certain steel products, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary establishes a replacement program. On March 11, 2005, Commerce published an interim final rule to implement a replacement program for the period beyond March 21, 2005. *Steel Import Monitoring and Analysis System*, 70 FR 12133, March 11, 2005. On December 5, 2005, Commerce published its final rule. *Steel Import Monitoring and Analysis System*, 70 FR 72373, December 5, 2005.

[25] *Presidential Proclamation 2006-7 of December 30, 2005, Presidential Determination on Imports of Circular Welded Non-Alloy Steel Pipe from the People's Republic of China*, 71 FR 871 (January 6, 2006).

*(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*

*(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*

*(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*

*(A) any likely increase in production capacity or existing unused production capacity in the exporting country,*

*(B) existing inventories of the subject merchandise, or likely increases in inventories,*

*(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*

*(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.*

*(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--*

*(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and*

*(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

*(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--*

*(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*

*(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*

*(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.*

*The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.*

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

## Organization of the Report

Information obtained during the course of these reviews that relates to the statutory criteria laid out above is presented throughout this report. The report is divided into two sections based on the Commission's findings with respect to the domestic like products in the first reviews. The first section ("CIRCULAR") relates to certain circular, welded, nonalloy steel pipe and tube (as noted earlier, designated as "circular welded pipe and tube"). The second section ("LWR") relates to certain light-walled rectangular steel pipe and tube (as noted earlier, designated "LWR pipe and tube"). A summary of data collected in the reviews relating to circular welded pipe and tube and to LWR pipe and tube is presented in appendix C.

# PART CIRCULAR-I: INTRODUCTION AND OVERVIEW

## GENERAL INFORMATION

U.S. industry data are based on questionnaire responses of 23 firms that accounted for nearly all the U.S. production of circular welded pipe and tube during the period under review. U.S. import data are based on official Commerce statistics, Customs data, and Cansim[1] data regarding imports of mechanical tubing from Canada. Responses by U.S. producers, importers, and purchasers of circular welded pipe and tube to a series of questions concerning the significance of the existing countervailing duty order and the existing antidumping duty orders and the likely effects of revocation are presented in appendix D.

Table CIRCULAR-I-1 presents comparative information available from the original investigations, the first reviews, and these second reviews.

[1] CANSIM is a database maintained by Statistics Canada (http://www.statcan.ca/english/ads/cansimII/index.htm). The domestic interested parties cited data on Canadian exports of mechanical tubing to the United States in their prehearing brief, exh. 2.

**Table CIRCULAR-I-1**
**Circular welded pipe and tube: Comparative data from the original investigations, first reviews, and current reviews, 1983-85, 1989-91, and 1997-2005**

| Item | Calendar years | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1983 | 1984 | 1985 | 1989 | 1990 | 1991 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | | | | | | | | | |
| Apparent U.S. consumption | 2,102 | 2,467 | 2,433 | 2,010 | 2,135 | 1,920 | 2,812 | 2,996 | 2,348 | 2,777 | 2,519 | 2,236 | 2,064 | 2,422 | 2,339 |
| | **Share (*percent*)** | | | | | | | | | | | | | | |
| Producers' share | 43.8 | 37.4 | 41.1 | 60.8 | 63.3 | 63.1 | 76.2 | 73.0 | 72.2 | 63.2 | 66.5 | 66.4 | 66.2 | 60.2 | 56.0 |
| Importers' shares-- | | | | | | | | | | | | | | | |
| Brazil | ([1]) | ([1]) | ([1]) | 1.5 | 3.0 | 2.8 | ([2]) | ([2]) | *** | *** | *** | *** | *** | *** | *** |
| India | ([2]) | 0.2 | 0.7 | ([1]) | ([1]) | ([1]) | 0.4 | 0.4 | *** | *** | *** | *** | *** | *** | *** |
| Korea | ([1]) | ([1]) | ([1]) | 14.7 | 14.2 | 16.9 | 6.2 | 5.8 | *** | *** | *** | *** | *** | *** | *** |
| Mexico | ([1]) | ([1]) | ([1]) | 3.2 | 3.2 | 2.5 | 0.1 | 0.5 | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | ([1]) | ([1]) | ([1]) | 2.0 | 2.0 | 2.0 | 0.8 | 1.4 | *** | *** | *** | *** | *** | *** | *** |
| Thailand | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | 2.2 | 0.9 | *** | *** | *** | *** | *** | *** | *** |
| Turkey | ([2]) | 0.1 | 1.5 | ([1]) | ([1]) | ([1]) | 0.1 | 0.2 | *** | *** | *** | *** | *** | *** | *** |
| All subject sources[3] | ([2]) | 0.3 | 2.2 | 21.5 | 22.4 | 24.2 | 9.8 | 9.4 | 10.1 | 13.6 | 11.7 | 13.8 | 8.9 | 9.2 | 7.5 |
| All other sources[3] | 56.2 | 62.3 | 56.7 | 17.7 | 14.3 | 12.7 | 14.0 | 17.7 | 17.7 | 23.3 | 21.8 | 19.8 | 24.9 | 30.5 | 36.5 |
| Total imports | 56.2 | 62.6 | 58.9 | 39.2 | 36.7 | 36.9 | 23.8 | 27.0 | 27.8 | 36.8 | 33.5 | 33.8 | 33.8 | 39.8 | 44.0 |
| | **Quantity (*1,000 short tons*), Value (*1,000 dollars*), Average unit value (*per short ton*)** | | | | | | | | | | | | | | |
| U.S. Imports from— | | | | | | | | | | | | | | | |
| Brazil: | | | | | | | | | | | | | | | |
| Quantity | ([1]) | ([1]) | ([1]) | 31 | 64 | 54 | ([4]) | ([4]) | *** | *** | *** | *** | *** | *** | *** |
| Value | ([1]) | ([1]) | ([1]) | 15,866 | 25,655 | 26,715 | 139 | 82 | *** | *** | *** | *** | *** | *** | *** |
| Average unit value | ([1]) | ([1]) | ([1]) | $516 | $402 | $490 | $2,032 | $1,808 | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| India: | | | | | | | | | | | | | | | |
| Quantity | ([2]) | 4 | 17 | ([1]) | ([1]) | ([1]) | 10 | 12 | *** | *** | *** | *** | *** | *** | *** |
| Value | 194 | 629 | 7,834 | ([1]) | ([1]) | ([1]) | 5,367 | 6,211 | *** | *** | *** | *** | *** | *** | *** |
| Average unit value | $349 | $317 | $351 | ([1]) | ([1]) | ([1]) | $532 | $512 | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Korea: | | | | | | | | | | | | | | | |
| Quantity | ([1]) | ([1]) | ([1]) | 296 | 303 | 325 | 174 | 175 | *** | *** | *** | *** | *** | *** | *** |
| Value | ([1]) | ([1]) | ([1]) | 166,677 | 160,310 | 172,590 | 80,284 | 79,702 | *** | *** | *** | *** | *** | *** | *** |
| Average unit value | ([1]) | ([1]) | ([1]) | $564 | $530 | $532 | $463 | $456 | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Mexico: | | | | | | | | | | | | | | | |
| Quantity | ([1]) | ([1]) | ([1]) | 65 | 69 | 48 | 3 | 16 | *** | *** | *** | *** | *** | *** | *** |
| Value | ([1]) | ([1]) | ([1]) | 35,346 | 36,716 | 25,268 | 1,957 | 8,262 | *** | *** | *** | *** | *** | *** | *** |
| Average unit value | ([1]) | ([1]) | ([1]) | $541 | $533 | $524 | $574 | $507 | $*** | $*** | $*** | $*** | $*** | $*** | $*** |

Table continued on next page. Footnotes and notes appear at the end of the table.

**Table CIRCULAR-I-1--*Continued***
**Circular welded pipe and tube: Comparative data from the original investigations, first reviews, and current reviews, 1983-85, 1989-91, and 1997-2005**

| Item | Calendar years | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1983 | 1984 | 1985 | 1989 | 1990 | 1991 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (*1,000 short tons*), Value (*1,000 dollars*), Average unit value (*per short ton*) | | | | | | | | | | | | | | |
| U.S. Imports–*continued* | | | | | | | | | | | | | | | |
| Taiwan: | | | | | | | | | | | | | | | |
| Quantity | ([1]) | ([1]) | ([1]) | 40 | 42 | 39 | 23 | 41 | *** | *** | *** | *** | *** | *** | *** |
| Value | ([1]) | ([1]) | ([1]) | 17,847 | 19,632 | 18,295 | 10,861 | 18,144 | *** | *** | *** | *** | *** | *** | *** |
| Average unit value | ([1]) | ([1]) | ([1]) | $441 | $466 | $475 | $472 | $442 | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Thailand:[6] | | | | | | | | | | | | | | | |
| Quantity | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | 62 | 28 | *** | *** | *** | *** | *** | *** | *** |
| Value | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | 30,740 | 13,996 | *** | *** | *** | *** | *** | *** | *** |
| Average unit value | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | $493 | $499 | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Turkey: | | | | | | | | | | | | | | | |
| Quantity | 1 | 3 | 36 | ([1]) | ([1]) | ([1]) | 3 | 7 | *** | *** | *** | *** | *** | *** | *** |
| Value | 200 | 821 | 12,389 | ([1]) | ([1]) | ([1]) | 1,225 | 3,334 | *** | *** | *** | *** | *** | *** | *** |
| Average unit value | $396 | $318 | $341 | ([1]) | ([1]) | ([1]) | $458 | $451 | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| All subject sources:[3] | | | | | | | | | | | | | | | |
| Quantity | 1 | 5 | 59 | 432 | 478 | 466 | 275 | 280 | 237 | 376 | 294 | 308 | 184 | 223 | 176 |
| Value | 394 | 1,450 | 20,223 | 235,736 | 242,313 | 242,868 | 130,575 | 129,731 | 98,089 | 162,174 | 114,419 | 123,627 | 92,989 | 130,572 | 129,786 |
| Average unit value | $371 | $318 | $341 | $545 | $507 | $521 | $475 | $464 | $414 | $431 | $389 | $401 | $506 | $585 | $739 |
| Other sources:[3] | | | | | | | | | | | | | | | |
| Quantity | 1,181 | 1,540 | 1,374 | 356 | 306 | 242 | 393 | 530 | 416 | 646 | 550 | 442 | 513 | 740 | 853 |
| Value | 398,775 | 573,413 | 531,561 | 200,363 | 172,106 | 148,065 | 239,522 | 301,272 | 219,634 | 332,426 | 259,002 | 231,602 | 264,078 | 513,122 | 651,863 |
| Average unit value | $338 | $372 | $387 | $563 | $563 | $611 | $609 | $568 | $527 | $515 | $471 | $523 | $514 | $694 | $764 |
| All sources: | | | | | | | | | | | | | | | |
| Quantity | 1,182 | 1,544 | 1,434 | 788 | 783 | 708 | 668 | 810 | 653 | 1,022 | 845 | 750 | 697 | 963 | 1,028 |
| Value | 399,169 | 574,863 | 551,784 | 436,099 | 414,419 | 390,933 | 370,097 | 431,002 | 317,723 | 494,573 | 373,421 | 355,229 | 357,067 | 643,693 | 781,648 |
| Average unit value | $338 | $372 | $385 | $553 | $529 | $552 | $554 | $532 | $487 | $484 | $442 | $473 | $512 | $668 | $760 |

Table continued on next page. Footnotes and notes appear at the end of the table.

**Table CIRCULAR-I-1--*Continued***
**Circular welded pipe and tube: Comparative data from the original investigations, first reviews, and current reviews, 1983-85, 1989-91, and 1997-2005**

| Item | Calendar years | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1983 | 1984 | 1985 | 1989 | 1990 | 1991 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (*1,000 short tons*) unless otherwise indicated | | | | | | | | | | | | | | |
| U.S. producers'– | | | | | | | | | | | | | | | |
| Capacity | 1,731 | 1,770 | 1,824 | 1,735 | 2,003 | 1,887 | 2,961 | 3,039 | 2,926 | 2,883 | 2,640 | 2,510 | 2,601 | 2,661 | 2,629 |
| Production | 908 | 933 | 1,003 | 1,220 | 1,367 | 1,202 | 2,256 | 2,227 | 1,739 | 1,814 | 1,686 | 1,541 | 1,355 | 1,513 | 1,325 |
| U.S. shipments | 920 | 923 | 999 | 1,222 | 1,351 | 1,212 | 2,144 | 2,186 | 1,695 | 1,754 | 1,674 | 1,485 | 1,367 | 1,459 | 1,310 |
| Export shipments | *** | *** | *** | *** | *** | *** | 103 | 48 | *** | *** | *** | *** | *** | *** | *** |
| PRWs (*number*) | 3,104 | 2,911 | 2,874 | 2,674 | 2,915 | 2,605 | 2,869 | 2,996 | 2,580 | 2,610 | 2,745 | 2,747 | 2,125 | 2,331 | 2,046 |
| Hours worked (*1,000*) | 5,531 | 5,427 | 5,553 | 4,638 | 5,145 | 4,634 | 6,132 | 6,160 | 5,427 | 5,664 | 5,864 | 5,318 | 4,611 | 4,675 | 4,097 |
| Net sales (*1,000 dollars*) | 441,328 | 491,433 | 494,814 | 774,580 | 782,618 | 673,332 | 1,309,986 | 1,301,467 | 959,174 | 1,007,248 | 915,465 | 795,982 | 834,561 | 1,243,926 | 1,245,783 |
| Operating margin (*percent*) | (4.4) | (0.5) | 1.1 | 6.0 | 5.1 | 5.7 | 9.8 | 9.0 | 10.3 | 6.9 | 4.9 | 8.1 | 4.5 | 11.8 | 8.8 |

[1] Nonsubject country in the applicable original investigation.
[2] Less than 0.05 percent.
[3] Varies based on investigation period. Also differs from first reviews, in that Venezuela is no longer a subject source in these reviews. Imports of circular welded pipe and tube from Venezuela increased from none in 1999 to 8,978 short tons in 2005, peaking in 2004 at 16,509 short tons. The peak in 2004 is comparable to the 18,497 short tons and 16,353 short tons of circular welded pipe and tube imported from Venezuela during the last two years of the period for which data were collected in the original investigations, *i.e.* 1990 and 1991.
[4] Fewer than 500 short tons.
[5] Not applicable.
[6] Comparative data from the original investigation on Thailand does not correspond with the period above. Imports from Thailand were 23,738 short tons in the January-September period and would have accounted for 0.7 percent of apparent U.S. consumption in that year.

Note.--Import data in these second reviews are not based on the same methodology as the import data from the first reviews and the original investigations. *See* section CIRCULAR IV for a detailed discussion. Data for unit values for imports from India between 1983 and 1985 do not appear reconcile with the quantities and values reported, however, these data were published in the first review with a footnote indicating that the quantities reflected only LTFV imports as reported by the Engineering Export Promotion Council.

Source: *Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela, (Review) Inv. Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, and 537*, USITC Publication 3316, July 2000, official Commerce import statistics, Customs data, data compiled from responses to Commission questionnaires, and Cansim (Canada) data.

## COMMERCE'S REVIEWS

### Administrative Reviews

Table CIRCULAR-I-2 presents information on Commerce's administrative reviews of the subject orders since 1999.[2]

**Table CIRCULAR-I-2**
**Circular welded pipe and tube: Final results of Commerce's administrative reviews of the countervailing duty order on Turkey and antidumping duty orders on Korea, Mexico, Taiwan, Thailand, and Turkey**

| Date results published | Period of review | Order | Producer or exporter | Margin |
|---|---|---|---|---|
| December 13, 1999 (64 FR 69488) as amended February 3, 2000 (65 FR 60613) | 05/01/1997-04/30/1998 | 731-TA-132 Taiwan | Yieh Hsing | 1.35 |
| | | | KHC | 24.80 |
| | | | Yun Din | 24.80 |
| | | | Tieh Loong | 24.80 |
| June 15, 2000 (65 FR 37518) | 11/01/1997-10/31/1998 | 731-TA-534 Mexico | TuNa | 1.92 |
| | | | HYSLA | 10.38 |
| August 11, 2000 (65 FR 49230)[1] | 01/01/1998-12/31/1998 | 701-TA-253 Turkey | BBBF | 0.20 |
| October 13, 2000 (65 FR 60910) | 03/01/1998-02/28/1999 | 731-TA-252 Thailand | Saha Thai | 1.81 |
| April 11, 2001 (66 FR 18747) as amended May 23, 2001 (66 FR 28422) | 11/01/1998-10/31/1999 | 731-TA-533 Korea | Shinho | 2.99 |
| | | | SeAH | 0.95 |
| | | | HDP | 2.53 |
| April 30, 2001 (66 FR 21312) as amended July 18, 2001 (66 FR 37454) | 11/01/1998-10/31/1999 | 731-TA-534 Mexico | TuNa | 2.92 |
| October 22, 2001 (66 FR 53388) | 03/01/1999-02/29/2000 | 731-TA-252 Thailand | Saha Thai | 1.92 |
| June 10, 2004 (69 FR 18747) | 11/01/2001-10/31/2002 | 731-TA-533 Korea | HYSCO | 0.84 |
| | | | Husteel | 1.82 |
| | | | SeAH | 0.66 |
| August 11, 2004 (69 FR 48844) | 05/01/2002-04/30/2003 | 731-TA-273 Turkey | Borusan | 1.48 |
| September 30, 2004 (69 FR 58390) | 05/01/2002-03/30/2003 | 731-TA-132 Taiwan | Yieh Hsing | 1.61 |
| October 20, 2004 (69 FR 61649)[2] | 03/01/2002-02/28/2003 | 731-TA-252 Thailand | Saha Thai | 0.17 |
| December 12, 2005 (70 FR 73447) as amended January 24, 2005 (71 FR 3824) | 05/01/2003-04/30/2004 | 731-TA-273 Turkey | Borusan | 0.74 |
| | | | Cayiroya | 3.52 |

[1] As a result of this *de minimis* margin, Customs ceased collecting a cash deposit on subject merchandise exported to the United States by BBBF (member of the Borusan Group) in relation to the countervailing duty order on Turkey following the publication of this notice.
[2] As a result of this *de minimis* margin, Customs ceased collecting a cash deposit on subject merchandise exported to the United States by Saha Thai in relation to the antidumping duty order on Thailand following the publication of this notice.

Source: Cited *Federal Register* notices.

[2] There were no administrative reviews for firms covered by the antidumping duty orders on Brazil and India over the period under review.

## Expedited Reviews

On October 28, 2005, Commerce found that revocation of the countervailing duty order on circular welded non-alloy steel pipes and tubes from Turkey would likely lead to continuation or recurrence of a countervailable subsidy.[3] [4]

Table CIRCULAR-I-3 presents information on the rates at which Commerce determined firms are being subsidized.

**Table CIRCULAR-I-3**
**Circular welded pipe and tube: Final results of Commerce's review of countervailing duty order on Turkey**

| Order | Producer or exporter | Net countervailable subsidy (*percent*) |
|---|---|---|
| 701-TA-253 | Bant Boru[1] | 0.00 |
| | Borusan Group[2] | 0.68 |
| | Erbosan[3] | 2.89 |
| | Yucel Boru Group[4] | 0.84 |
| | All others | 2.90 |

[1] Bant Boru Sanayi ve Ticaret A.S.
[2] Borusan Group is Borusan Birlesik Boru Fabrikalari A.S. and Borusan Ihracat Ithalat ve Dagitim A.S.
[3] Erciyas Boru Sanayii ve Ticaret A.S.
[4] Yucel Boru and its affiliated companies: Cayirova Boru Sanayi ve Ticaret A.S. and Yucelboru Ihracat Ithalat ve Pazarlama A.S.

Source: *Final Results of Expedited Sunset Review: Welded Carbon Steel Standard Pipe from Turkey*, 70 FR 62097.

---

[3] *Final Results of Expedited Sunset Review: Welded Carbon Steel Standard Pipe from Turkey*, 70 FR 62097, October 28, 2005. Commerce's notice is presented in app. A.

[4] Consistent with section 752(a)(6) of the Act, Commerce provided the Commission with information concerning the nature of the subsidy, and whether the subsidy is a subsidy as described in Article 3 or Article 6.1 of the 1994 WTO Agreement on Subsidies and Countervailing Measures ("SCM"). Commerce observed that Article 6.1 of the SCM expired effective January 1, 2000, and identified the following as export subsidies (as described in Article 3 of the SCM):

(1) Pre-Shipment Export Credit: The Export Credit Bank of Turkey ("Eximbank") provides short-term pre-shipment export loans, denominated in Turkish Lira, to exporters through intermediary commercial banks. Loans are generally extended for a period of up to 180 days, and cover up to 100 percent of the Free On Board ("FOB") export value. The interest rate charged on these pre-shipment loans is established by the Eximbank.

(2) Deduction from Taxable Income for Export Revenues: In 1995, the Ministry of Finance amended the Income Tax Law to allow companies that export goods or services to deduct 0.5 percent of their hard currency income derived from these export activities from their corporate income taxes.

(3) Foreign Exchange Loan Assistance: Resolution Number 94/5782 (Article 4) concerns the encouragement of exportation, allowing commercial banks to exempt certain fees provided that the loans are used in the financing of exportation and other foreign exchange earning activities. The exempted fees include a Resource Utilization Stabilization Fund fee of six percent of the loan principle, a Banking Insurance Tax equal to five percent of the interest paid, and a stamp tax equal to 0.6 percent of the principal. *Issues and Decision Memorandum for the Final Results of Expedited Sunset Review of the Countervailing Duty Order on Welded Carbon Steel Standard Pipe from Turkey*, October 28, 2005 (internal citations omitted).

In addition, Commerce identified two programs that do not fall within the meaning of Article 3.1 of the SCM but could be subsidies described in Article 6.1 of the SCM (investment allowances under the General Incentives Program and the VAT Support Program). Commerce, however, had insufficient information to make a determination regarding these programs. Ibid.

On November 8, 2005, Commerce found that revocation of the antidumping duty orders on certain steel pipes and tubes from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey would likely lead to continuation or recurrence of dumping.[5]

Table CIRCULAR-I-4 presents information on Commerce's likely dumping margin findings.

**Table CIRCULAR-I-4**
**Circular welded pipe and tube: Final results of Commerce's review of antidumping duty orders on Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey**

| Order | Producer or exporter | Likely dumping margins (*percent*) |
|---|---|---|
| Brazil (731-TA-532) | Perisco Pizzamiglio S.A. | 103.38 |
| | All others | 103.38 |
| India (731-TA-271) | Tata Iron and Steel Company, Ltd. | 7.08 |
| | All others | 7.08 |
| Korea (731-TA-533) | Hyundai Steel Pipe Co., Ltd. | 6.86 |
| | Korea Steel Pipe Co., Ltd. | 6.21 |
| | Masan Steel Tube Works Co., Ltd. | 11.63 |
| | Pusan Steel Pipe Co., Ltd. | 4.91 |
| | All others | 6.37 |
| Mexico (731-TA-534) | HYLSA, S.A. de C.V. | 32.62 |
| | All others | 32.62 |
| Taiwan (731-TA-132) | Kao Hsing Chang | 9.70 |
| | Tai Feng | 43.70 |
| | Yieh Hsing | 38.50 |
| | All others | 9.70 |
| Taiwan (731-TA-536) | Kao Hsing Chang Iron and Steel Corp. | 19.46 |
| | Yieh Hsing Enterprise Co., Ltd. | 27.65 |
| | All others | 23.56 |
| Thailand (731-TA-252) | Saha Thai Steel Pipe Co. | 15.69 |
| | Thai Steel Pipe Industry Co. | 15.60 |
| | All others | 15.67 |
| Turkey (731-TA-273) | Borusan Ithicat ve Dagitim | 1.26 |
| | Erkboru Profil Sanayi ve Ticaret | 23.12 |
| | Mannesmann-Sumerbank Boru Industrisi | 23.12 |
| | All others | 14.74 |

Source: *Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, and Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Republic of Korea, Mexico, and Taiwan; Notice of Final Results of Expedited Five–Year ("Sunset") Reviews of Antidumping Duty Orders*, 70 FR 67662.

Commerce has not issued any duty absorption determination with respect to the countervailing duty order on circular welded non-alloy steel pipes and tubes from Turkey or the antidumping duty orders on certain steel pipes and tubes from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey.

[5] *Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, and Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Republic of Korea, Mexico, and Taiwan; Notice of Final Results of Expedited Five–Year (''Sunset") Reviews of Antidumping Duty Orders*, 70 FR 67662, November 8, 2005. Commerce's notice is presented in app. A.

## DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA") (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.[6] During the review period, qualified U.S. producers of circular welded non-alloy steel pipe and tube were eligible to receive disbursements from the U.S. Customs and Border Protection ("Customs") under CDSOA relating to one countervailing duty and seven antidumping duty orders on the subject product beginning in Federal fiscal year 2001.[7]

Tables CIRCULAR-I-5 and CIRCULAR-I-6 present CDSOA disbursements and claims for Federal fiscal years (October 1-September 30) 2001-05 by source and by firm, respectively.

**Table CIRCULAR-I-5**
**Circular welded pipe and tube: CDSOA disbursements, by source, Federal fiscal years 2001-05**

| Item | Federal fiscal year | | | | |
|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Disbursements (*1,000 dollars*) | | | | |
| Brazil | 14 | 0 | 0 | 0 | 3 |
| India | 6 | 2 | 12 | 151 | 381 |
| Korea | 2,731 | 2,269 | 464 | 5,982 | 647 |
| Mexico | 238 | 54 | 382 | 1,330 | 552 |
| Taiwan | 0 | 0 | 28 | 13 | 2,210 |
| Thailand | 1,148 | 4,172 | 546 | 767 | 241 |
| Turkey (AD) | 10 | 0 | 5 | 2 | 22 |
| Turkey (CVD) | 832 | 111 | 15 | 221 | 35 |
| Total | 4,979 | 6,608 | 1,453 | 8,467 | 4,092 |

Source: U.S. Customs and Border Protection's CDSOA *Annual Reports*. Retrieved at www.cbp.gov/xp/cgov/import/add_cvd.

[6] Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)).

[7] 19 CFR 159.64 (g).

**Table CIRCULAR-I-6**
**Circular welded pipe and tube: CDSOA disbursements and claims, by firm, Federal fiscal years 2001-05**

| Item | Federal fiscal year | | | | |
|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Disbursements (*1,000 dollars*)** | | | | |
| Allied | 1,081 | 1,112 | 647 | 1,202 | 980 |
| Bull Moose | 0 | 215 | 117 | 198 | 61 |
| California | 0 | 0 | 0 | 326 | 56 |
| Hannibal | 113 | 166 | 55 | 51 | 202 |
| Laclede | 1,168 | 1,138 | 0 | 0 | 0 |
| Leavitt | 82 | 115 | 37 | 33 | 19 |
| LTV/Copperweld | 331 | 250 | 0 | 0 | 0 |
| Maurichi | 34 | 36 | 21 | 39 | 9 |
| Maverick | 0 | 268 | 103 | 3,470 | 649 |
| Northwest | 24 | 37 | 0 | 14 | 88 |
| PTC Alliance[1] | 0 | 838 | 0 | 258 | 1,309 |
| Sharon | 549 | 558 | 328 | 643 | 137 |
| US Steel | 0 | 0 | 69 | 165 | 26 |
| Vest | 0 | 189 | 0 | 57 | 33 |
| Western | 120 | 132 | 76 | 138 | 98 |
| Wheatland | 1,476 | 1,556 | 0 | 1,874 | 426 |
| Total | 4,979 | 6,608 | 1,453 | 8,467 | 4,092 |
| | **Claims (*1,000 dollars*)** | | | | |
| Total | 9,009,023 | 15,216,976 | 7,710,988 | 19,227,281 | 129,945,018 |

[1] PTC Alliance supplied the Commission with a questionnaire response indicating that it does not produce circular welded pipe and tube, as defined in the questionnaires.

Source: U.S. Customs and Border Protection's CDSOA *Annual Reports*. Retrieved at www.cbp.gov/xp/cgov/import/add_cvd

## THE SUBJECT MERCHANDISE

### Commerce's Scope

Table CIRCULAR-I-7 presents the scope definitions for the imported product subject to the countervailing duty order and the antidumping orders under review, as defined by Commerce.

**Table CIRCULAR-I-7**
**Circular welded pipe and tube: Commerce scope definitions**

| Country | Invs. Nos. | Scope |
|---|---|---|
| Brazil, Korea, and Mexico | 731-TA-532, 533, and 534 | ...circular welded non-alloy steel pipe and tube from Brazil, Korea, and Mexico. The product consists of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipe and tube are generally known as standard pipe and tube and are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and as support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and other related industries. Unfinished conduit pipe is also included in this order. All carbon steel pipe and tube within the physical description outlined above are included within the scope of these orders, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the United States as line pipe of a kind used for oil and gas pipelines is also not included in this order. Imports of the products covered by these orders are currently classifiable under the following HTSUS subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90. |
| India | 731-TA-271 | ...circular welded non-alloy steel pipe and tube, of circular cross-section, but not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipe and tube are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipe and tube are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protection of electrical wiring, such as conduit shells. The scope is not limited to standard pipe and fence tubing or those types of mechanical and structural pipe that are used in standard pipe applications. All carbon-steel pipe and tube within the physical description outlined above are included in the scope of this order, except for line pipe, oil-country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws,finished scaffolding, and finished rigid conduit. Imports of the products covered by this order are currently classifiable under the following HTSUS subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. |

Table continued on next page. Footnotes and notes at the end of the table.

**Table CIRCULAR-I-7--*Continued***
**Circular welded pipe and tube: Commerce scope definitions**

| Country | Invs. Nos. | Scope |
|---|---|---|
| Taiwan[1] | 731-TA-132 | ...certain circular welded carbon steel pipe and tube, defined as welded carbon steel pipe and tube of circular cross section, with walls not thinner than 0.065 inch and 0.375 inch or more but not over 4½ inches in outside diameter. These products are commonly referred to as “standard pipe” and are produced to various American Society for Testing and Material (“ASTM”) specifications, most notably A-53, A-120, or A-135. Standard pipe is currently classified under HTSUS item numbers 7306.30.5025, 7306.30.5032, 7306.30.5040, and 7306.30.5055. |
| Taiwan[1] | 731-TA-536 | ...(1) Circular welded non-alloy steel pipes and tubes, of circular cross-section over 114.3 millimeters (4.5 inches), but not over 406.4 millimeters (16 inches) in outside diameter, with a wall thickness of 1.65 millimeters (0.065 inches) or more, regardless of surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled); and (2) circular welded non-alloy steel pipe and tube, of circular cross-section less than 406.4 millimeters (16 inches), with a wall thickness of less than 1.65 millimeters (0.065 inches), regardless of surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipe and tube are generally known as standard pipe and tube and are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses, and generally meet ASTM A-53 specifications. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and support members for construction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and related industries. Unfinished conduit pipe is also included in these orders. All carbon steel pipe and tube within the physical description outlined above are included within the scope of this order, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the United States as line pipe of a kind used for oil and gas pipelines is also not included in this order. Imports of the products covered by this order are currently classifiable under the following HTS subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90 |
| Thailand | 731-TA-252 | ...certain circular welded carbon steel pipe and tube, commonly referred to in the industry as ``standard pipe'' or ``structural tubing,'' with walls not thinner than 0.065 inches, and 0.375 inches or more, but not over 16 inches in outside diameter. The subject merchandise is classifiable under item numbers 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85 and 7306.30.50.90 of the HTSUS. |

Table continued on next page. Footnotes and notes at the end of the table.

**Table CIRCULAR-I-7--*Continued***
**Circular welded pipe and tube: Commerce scope definitions**

| Country | Invs. Nos. | Scope |
|---|---|---|
| Turkey | 701-TA-253 | ...welded carbon steel pipes and tubes, having an outside diameter of 0.375 inch or more, but not more than 16 inches, of any wall thickness. These products, commonly referred to in the industry as standard pipe and tube or structural tubing, are produced in accordance with various ASTM specifications, most notably A-53, A-120, A-500, or A-501. The subject merchandise is classifiable under item numbers 7306.30.10 and 7306.30.50 of the HTSUS. |
| Turkey | 731-TA-273 | ...circular welded non-alloy steel pipe and tube, of circular cross-section, not more than 16 inches in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipe and tube are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipe and tube are intended for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air-conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protections of electrical wiring, such as conduit shells. The scope is not limited to standard pipe and fence tubing or those types of mechanical and structural pipe that are used in standard pipe applications. All carbon steel pipe and tube within the physical description outline above are included in the scope of this review, except for line pipe, oil country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit. The subject merchandise is classifiable under item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.50.85 and 7306.30.5090 of the HTSUS. |

[1] The second order on circular welded pipe and tube from Taiwan covers large diameter pipe not covered under the first order.

Note.--HTSUS = Harmonized Tariff Schedule of the United States;
ASTM = American Society for Testing and Materials, now ASTM International.

Source: Commerce continuation orders (65 FR 50955 and 65 FR 50960).

## Tariff Treatment

Table CIRCULAR-I-8 presents data on the tariff treatment used to generate official Commerce statistics on imports of subject circular welded carbon steel pipe and tube.

**Table CIRCULAR-I-8**
**Circular welded pipe and tube: Tariff treatment, 2005**

| HTS provision | Article description | General[1] | Special[2] | Column 2[3] |
|---|---|---|---|---|
| | | Rates *(percent ad valorem)* | | |
| 7306 | Other tubes, pipes and hollow profiles (for example, open seamed or welded, riveted or similarly closed), of iron or steel (con.): | | | |
| 7306.30 | Other, welded, of circular cross section, of iron or non-alloy steel: | | | |
| 7306.30.1000 | Having a wall thickness of less than 1.65 mm . . . . . | . . . Free . . . . | . . . . . | . . . 25.0 |
| | Having a wall thickness of 1.65 mm of more: | | | |
| 7306.30.3000[4] | Tapered steel pipes and tube principally used as parts of illuminating articles[4] . . . . . | . . . Free . . . . | . . . . . | . . . 45.0 |
| 7306.30.50 | Other: . . . . . | . . . Free . . . . | . . . . . | . . . 5.5 |
| 7306.30.5010[4] | Suitable for use in boilers, superheaters, heat exchangers, condensers, refining furnaces and feedwater heaters, whether or not cold drawn | | | |
| 7306.30.5015[4] | Other, cold-drawn[4] | | | |
| 7306.30.5020[4] | Other, cold-rolled (cold-reduced) with a wall thickness not exceeding 2.54 mm[4] | | | |
| | Other: | | | |
| | With an outside diameter not exceeding 114.2 mm: | | | |
| | Galvanized: | | | |
| 7306.30.5025 | Imported with coupling | | | |
| 7306.30.5028[4] | Internally coated or lined with a non-electrically insulating material, suitable for use as electrical conduit[4] | | | |
| 7306.30.5032 | Other | | | |
| | Other: | | | |
| 7306.30.5035[4] | Tube and pipe hollows for redrawing | | | |
| 7306.30.5040 | Other, imported with coupling | | | |
| 7306.30.5055 | Other | | | |
| | With an outside diameter exceeding 114.3 mm but not exceeding 406.4 mm: | | | |
| 7306.30.5085 | Galvanized | | | |
| 7306.30.5090 | Other | | | |

[1] Normal trade relations, formerly known as the most-favored-nation duty rate.
[2] Special rates not applicable when General rate is Free.
[3] Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.
[4] Statistical reporting number or article description not subject to these reviews.

Source: Harmonized Tariff Schedule of the United States (2005).

## THE DOMESTIC LIKE PRODUCT

In its first reviews of the countervailing duty order on circular welded, non-alloy steel pipes and tubes from Turkey and the antidumping duty orders on certain steel pipes and tubes from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, the Commission found a single domestic like product consisting of all circular welded pipe and tube made of non-alloy steel, that is produced to ASTM or similar specifications and that is used in both standard (*i.e.* conveyance of low-pressure liquid or gas) and structural (*i.e.* support for structures, such as in scaffolding and fences) applications. In those first reviews in 2000, the Commission did not find a distinction between circular welded steel pipes and tubes based on manufacturing process, i.e. whether the domestic mill used the continuous weld ("CW") method or the electric resistance welded ("ERW") method, for the purposes of its definition the domestic like product. In the first reviews in 2000, the Commission noted that while purchasers often seek product matching a particular ASTM or proprietary specification, certain circular welded non-alloy pipes and tubes with different diameters, wall thicknesses, or end finishes were generally substitutable for each other in their particular end uses. Therefore, the Commission found a single domestic like product of all circular welded non-alloy steel pipes and tubes up to and including 16 inches in outside diameter, regardless of wall thickness.[8]

### Physical Characteristics and Uses[9]

Steel pipes and tubes[10] in general are produced in various grades of carbon, alloy, or stainless steel and are distinguished by end uses as defined by the American Iron and Steel Institute ("AISI"): standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods ("OCTG").

> STANDARD PIPE is ordinarily used for low-pressure conveyance of air, steam, gas, water, oil, or other fluids for mechanical applications. It is used primarily in machinery, buildings, sprinkler systems, irrigation systems and water wells rather than in pipe lines or utility distribution systems. It may carry fluids at elevated temperatures which are not subject to external heat applications. It is usually produced in standard diameters and wall thicknesses to ASTM ... specifications.
>
> LINE PIPE is used for transportation of gas, oil, or water generally in a pipeline or utility distribution system. It is produced to API ... and AWWA (American Water Works Association) specifications.
>
> STRUCTURAL PIPE AND TUBING is welded or seamless pipe and tubing generally used for structural or load-bearing purposes above ground by the construction industry,

---

[8] *Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela (Review), Inv. Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, and 537*, USITC Publication 3316, July 2000, p. 12.

[9] Information in this section is drawn to a large degree from the previous reviews on circular welded non-alloy steel pipe. In particular, see *Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela (Review), Inv. Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, and 537*, USITC Publication 3316, July 2000, pp. CIRC-I-17 to I-18. See also *Circular Welded Non-Alloy Steel Pipe From China (Final), Inv. No. 731-TA-943*, USITC Publication 3523, July 2002, pp. I-4 through I-6.

[10] Pipe dimensions (e.g., outside diameter ("O.D.") and wall thickness) are standardized while tube dimensions are design-specific. The HTS generally makes no distinction between pipes and tubes.

as well as for structural members in ships, trailers, farm equipment and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications in round, square, rectangular or other cross-sectional shapes.

MECHANICAL TUBING is welded or seamless tubing produced in a large number of shapes of varied chemical composition in sizes 3/16 inch to 10¾ inches O.D. inclusive for carbon and alloy material. It is not normally produced to meet any specification other than that required to meet the end use. It is produced to meet exact O.D. and decimal wall thickness.

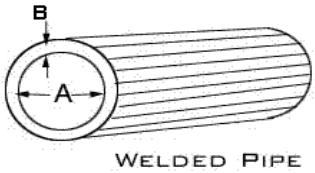
PRESSURE TUBING is used to convey fluids at elevated temperatures or pressures, or both, and is suitable to be subjected to heat applications. It is produced to exact O.D. and decimal wall thickness in sizes ½ inch to 6 inches O.D. inclusive, usually to specifications such as ASTM.

OIL COUNTRY TUBULAR GOODS are pipe used in wells in oil and gas industries consisting of casing, tubing, and drill pipe. Oil country tubular goods are produced to API specifications as follows:

A. Casing is the structural retainer for the walls of oil or gas wells and covers sizes 4½ to 20 inches O.D. inclusive.
B. Tubing is used within casing oil wells to convey oil to ground level and ordinarily includes sizes 1.050 to 4.500 inches O.D. inclusive.
C. Drill Pipe is used to transmit power to a rotary drilling tool below ground level and covers sizes 2⅜ to 6¾ inches O.D. inclusive.

Standard pipe of non-alloy quality steel is the primary product within the scope of these reviews (*see* figure CIRCULAR-I-1). Standard pipe is intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may carry liquids at elevated temperatures but may not be subject to the application of external heat. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing; for protection of electrical wiring, such as conduit shells; and for structural applications in general construction. It is made primarily to ASTM A-53, A-135, and A-795 specifications, but can also be made to other specifications, such as British Standard ("BS")-1387.

**Figure CIRCULAR-I-1**
**Circular welded pipe and tube: Cross section of welded pipe showing inside diameter "A" and wall thickness "B"**




Source: ASA Alloys, Inc., retreived at http://www.asaalloys.com/diagrams.html.

Other uses of standard pipe include light load-bearing and mechanical applications, such as conduit shells, and for structural applications in general construction. Circular pipe used for above-ground structural purposes, including fence posts, irrigation systems, and sprinkler systems, is also included in this category. These products also are manufactured primarily to standard ASTM specifications, as well as and American Society of Mechanical Engineers ("ASME") specifications.

Standard pipe used in light load-bearing, mechanical, and structural applications may be galvanized (zinc-coated by dipping in molten zinc), lacquered (black finish), or painted (black) to provide corrosion resistance, which is important for storage in humid conditions or for ocean transport. End finishes include plain end, which may be either cut, or beveled suitable for welding, or include threaded ends, or threaded or coupled, as well as other special end finishes. Pipe with threaded ends is usually provided "threaded and coupled," meaning that a coupling is attached to one end of each length of pipe.

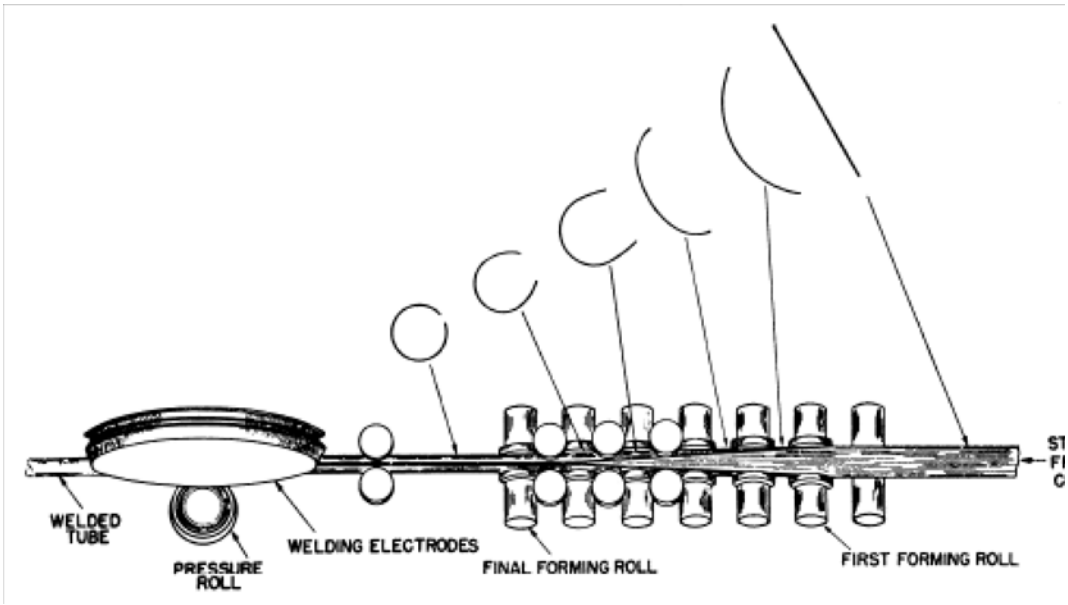
Structural pipe is defined by AISI as welded or seamless pipe generally used for structural or load-bearing purposes above ground by the construction industry, as well as for structural members in ships, trailers, farm equipment, and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications. Structural pipe is intended for use in the construction of bridges, buildings, steel scaffolding, and general structural work. Structural pipe used as fence tubing (generally produced to ASTM F-1083, which covers hot-dipped galvanized welded steel pipe used for fence structures) is considered a form of circular welded pipe and tube used in standard and structural applications.

## Manufacturing Process

Circular welded non-alloy steel pipes and tubes of the sizes subject to these reviews are manufactured by either the electric resistance-welding ("ERW") process or the continuous-welding ("CW") process.

The ERW process is a cold-forming process. The raw material input is steel sheet which has been slit into strips of appropriate width that will equal the diameter of the pipe to be welded. The strips, or "skelp," are formed into a tubular shape by passing it through a series of rollers, which provide the initial shaping into round form, as well as guidance into the welding section (figure CIRCULAR-I-2).

**Figure CIRCULAR-I-2**
**Circular pipe and tube: Operations to make ERW tubes from steel strip**




Source: AISI, *Steel Products Manual – Steel Specialty Tubular Products*, p. 20.

After the strips have been formed to a tubular shape, the edges are heated by electrical resistance[11] and welded by a combination of heat and pressure. The welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on both the inside and outside of the tube. While still in the continuous processing line, the tube is then subjected to post-weld heat treatment, as required. This may involve heat treatment of the welded seam only, or treatment of the entire pipe. After heat treatment, sizing rolls shape the tube to the accurate diameter. The product is cooled and then cut at the end of the tube mill by a flying shear or saw, synchronized with the tube's movement so that it is not necessary to stop the process.[12] The ERW process can be used to cover the full range of standard pipe diameters pertinent to these reviews.

In the CW process, the entire strip is heated to approximately 2,450 degrees Fahrenheit in a gas-fired, continuous furnace. As the strip leaves the furnace, a blower is normally furnished to provide a blast of air to raise the temperature of the edges to approximately 2,600 degrees Fahrenheit for welding. The strip is formed into tubular shape by a series of rollers, and the edges are butted together under pressure to form the weld. While still hot, the product may be processed through a stretch reduction mill, which simultaneously reduces the diameter and wall thickness of the pipe. The continuous tube is then cut into predetermined lengths by a flying saw or shear. The CW method can be used to produce pipe up to 4.5 inches in O.D.

Finishing operations on standard pipe and tube may include hydrostatic testing, oiling,[13] and galvanizing. The process of galvanizing involves the application of a zinc coating to steel pipe for protection from atmospheric corrosion. In a hot-dip process of galvanizing, cut lengths of steel pipe are dipped in a bath of molten zinc maintained at a temperature of 820 degrees to 860 degrees Fahrenheit.[14] The combination of the temperature of both the zinc and the steel, as well as the immersion time within the zinc bath, determine the thickness of the coating.[15] The zinc coating may be applied to the outside only, or both the inside and outside of the steel pipe, depending on end-use application and industry specification (*e.g*., ASTM). In a continuous galvanizing process, the zinc coating may be applied to the outside of the pipe before the steel pipe is cut to length by passing it through a bath of molten zinc.

End finishing may include square cutting, beveling, threading, or grooving. Threaded pipe may be furnished "threaded or coupled," in which case both ends of each length of pipe are threaded and a threaded coupling is applied to one end.

---

[11] The heat for welding is generated by the resistance of the steel to the flow of an electric current. In one process, a low frequency (typically 60 to 360 hertz) is conducted to the strip edges by a pair of copper alloy discs that rotate as the pipe is propelled under them. A second variation uses high frequency current (typically 400 to 500 kilohertz), which enters the tubing through shoes that act as sliding contacts. An induction coil can also be used with this high frequency current to induce current in the edges of the steel to be welded together. No direct contact is made between the induction coil and the tubing. *See* AISI, *Steel Products Manual – Steel Specialty Tubular Products*, October, 1980, pp. 19-20; and United States Steel, *The Making, Shaping and Treating of Steel*, 10th Ed. (Pittsburgh, PA: Herbick & Held, 1985), pp. 1030-1031.

[12] United States Steel, *The Making, Shaping and Treating of Steel*, 10th Ed. (Pittsburgh, PA: Herbick & Held, 1985), p. 1029.

[13] The oil is a hardening transparent oil that leaves a lacquer finish. United States Steel, *The Making, Shaping and Treating of Steel*, 10th Ed. (Pittsburgh, PA: Herbick & Held, 1985), p. 1062.

[14] United States Steel, *The Making, Shaping and Treating of Steel*, 10th Ed. (Pittsburgh, PA: Herbick & Held, 1985), p. 1065.

[15] *See* "Zinc Coatings," American Galvanizers Association, found at http://www.galvanizeit.org/showContent,289,333.cfm, retrieved April 10, 2006.

## Channels of Distribution

Most U.S. sales of circular welded pipe and tube are to distributors. Table CIRCULAR-I-9 presents information of U.S. producers' and U.S. importers' channels of distribution.

**Table CIRCULAR-I-9**
**Circular welded pipe and tube: U.S. producers' and U.S. importers' channels of distribution, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Share (*percent*) | | | | | | |
| U.S. producers-- | | | | | | | |
| U.S. shipments to distributors | 82.9 | 86.2 | 86.0 | 86.7 | 84.3 | 85.0 | 85.3 |
| U.S. shipments to end users | 17.1 | 13.8 | 14.0 | 13.3 | 15.7 | 15.0 | 14.7 |
| U.S. importers-- | | | | | | | |
| U.S. shipments to distributors | 69.2 | 84.8 | 87.8 | 88.0 | 88.5 | 96.9 | 93.7 |
| U.S. shipments to end users | 30.8 | 15.2 | 12.2 | 12.0 | 11.5 | 3.1 | 6.3 |

[1] The change in U.S. importers' channels of distribution between 1999 and 2000 reflects ***. The change in U.S. importers' channels of distribution between 2003 and 2004 reflects ***.

Note.--Staff believes that the data on U.S. importers' channels of distribution presented in this table approximate but are not exact percentages for the channels of distribution of imported circular welded pipe and tube, noting that many of the responding U.S. importers did not supply data on their channels of distribution. In general, however, the data gathered confirm that most circular welded pipe and tube, whether domestically produced or imported from any of the subject sources for which data were provided, is shipped to distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

# U.S. MARKET PARTICIPANTS

## U.S. Producers

Twenty U.S. producers of circular welded non-alloy steel pipes and tubes responded to the Commission's questionnaire with usable data. Three additional U.S. producers that are no longer producing circular welded steel pipes and tubes were included in these reviews by using data that they submitted in previous investigations. Table CIRCULAR-I-10 presents information on U.S. producers' positions on the existing orders.

**Table CIRCULAR-I-10**
**Circular welded pipe and tube: U.S. producers' positions on the orders**

| Order | Support | Oppose | Take no position |
|---|---|---|---|
| Brazil (731-TA-532) - AD | 19 | 0 | 1[1] |
| India (731-TA-271) - AD | 19 | 0 | 1[1] |
| Korea (731-TA-533) - AD | 20 | 0 | 0 |
| Mexico (731-TA-534) - AD | 19 | 1[2] | 0 |
| Taiwan (731-TA-132) - AD[3] | 20 | 0 | 0 |
| Taiwan (731-TA-536) - AD[4] | 18 | 0 | 2[5] |
| Thailand (731-TA-252) - AD | 19 | 0 | 1[1] |
| Turkey (701-TA-253) - CVD | 20 | 0 | 0 |
| Turkey (731-TA-273) - AD | 20 | 0 | 0 |

[1] ***.
[2] ***.
[3] This order concerns only circular welded non-alloy steel pipes and tubes with an O.D. less than or equal to 4½ inches.
[4] This order concerns only circular welded non-alloy steel pipes and tubes with an O.D. greater than 4½ inches.
[5] ***.

Note:–Copperweld, Laclede, and Sawhill are not included as these three former U.S. producers did not provide a questionnaire response to these reviews.

Source: Compiled from data submitted in response to Commission questionnaires.

Table CIRCULAR-I-11 presents information on U.S. producers, their geographic locations, relations to subject importers, and concentrations. Two firms, Allied and Wheatland, accounted for approximately *** percent of the production of circular welded pipe and tube in 2005, while the remaining 18 producers still in operation in 2005 accounted for the remaining *** percent of production.

**Table CIRCULAR-I-11**
**Circular welded pipe and tube: U.S. producers, ownership, plant locations, U.S. production, and shares of U.S. production, 2005**

| Firm | Ownership | Plant location(s) | Production (*1,000 short tons*) | Share of production (*percent*) |
|---|---|---|---|---|
| Allied | Tyco (NJ) | DePere, WI<br>Lathrop, IL<br>Philadelphia, PA<br>Phoenix, AZ<br>Pine Bluff, AR | *** | *** |
| American | | Birmingham, AL | *** | *** |
| Atlas | | Plymouth, MI | *** | *** |
| Bull Moose | Caparo (United Kingdom) | Chesterfield, MO | *** | *** |
| California | JFE and Rio Doce (NY) | Fontana, CA | *** | *** |
| Hanna | Hanna Holding (AL) | Fairfield, AL<br>Northport, AL<br>Pekin, IL | *** | *** |
| IPSCO | IPSCO (Canada) | Camanche, IA<br>Blytheville, AR | *** | *** |
| Laclede | ([1]) | Fairless, PA | *** | *** |
| Leavitt | | Madison, MS | *** | *** |

Table continued on next page.

**Table CIRCULAR-I-11--*Continued***
**Circular welded pipe and tube: U.S. producers, ownership, plant locations, U.S. production, and shares of U.S. production, 2005**

| Firm | Ownership | Plant location(s) | Production (*1,000 short tons*) | Share of production (*percent*) |
|---|---|---|---|---|
| Lone Star[2] | Lone Star Technologies (TX) | Lone Star, TX | *** | *** |
| LTV Copperweld | ([3]) | Chicago, IL | *** | *** |
| Maruchi | Maruichi Kokan (Japan) | Santa Fe Springs, CA | *** | *** |
| Maverick | | Blytheville, AR<br>Counce, TN<br>Conroe, TX | *** | *** |
| Newport | NS Group (NJ) | Newport, KY | *** | *** |
| Northwest | | Portland, OR<br>Atchison, KS<br>Bossier City, LA | *** | *** |
| Sawhill | ([4]) | Sharon, PA<br>Warren, OH | *** | *** |
| Sharon | | Sharon, PA | *** | *** |
| Stupp | Stupp Bros. (MO) | Baton Rouge, LA | *** | *** |
| Tex-Tube[2] | Visteel (TX)[2] | Houston, TX | *** | *** |
| U.S. Steel | | McKeesport, PA | *** | *** |
| Vest | JFE Shoji Trade U.S.A. (Ultimately Japan) | Vernon, CA | *** | *** |
| Western | Sumitomo (Japan) | Long Beach, CA | *** | *** |
| Wheatland | John Maneely Co. (NJ)[4] | Sharon, PA<br>Warren, OH<br>Chicago, IL<br>Little Rock, AR | *** | *** |
| | | Total | 1,325 | 100.0 |

[1] Liquidated in bankruptcy proceedings in 2002.
[2] Lone Star entered into an exclusive marketing arrangement with Apolo Tubos (a Brazilian producer of circular welded pipe and tube) in April 2006, *see* "Lone Star pens marketing accord with Brazilian tube producer Apolo," American Metal Market, April 21, 2006.
[3] Business sold to Atlas.
[4] Purchased by Wheatland.
[5] Tex-Tube ***.

Note.--Laclede and Newport ceased production in 2001, and Sawhill ceased production in 2002. Newport ***.

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. Importers

For these reviews, the Commission sent importers' questionnaires to all U.S. producers as well as 164 firms believed to be importing circular welded pipe and tube. The Commission received U.S. importer responses from 61 firms, of which 34 provided usable data, and 27 indicated they did not import circular welded pipe and tube. Of the 34 usable responses, only imports from Brazil were not covered.[16] Based on official Commerce statistics, firms providing usable questionnaire responses accounted for 57

[16] Subject merchandise from Brazil was minimal between 1999 and 2005.

percent of subject imports over the period under review. Geographically, U.S. importers were located primarily in the West and in the South, while fewer reported operations in Eastern ports. No U.S. producer imported subject or nonsubject circular welded pipe and tube.

**Table CIRCULAR I-12**
**Circular welded pipe and tube: U.S. importers, the source of their imports, their reported geographic coverage, and their shares of reported U.S. imports, 1999-2005**

| Firm | Source(s) | Reported geographic coverage | Share of total imports reported over the period 1999-2005 |
|---|---|---|---|
| Alpha Steel | *** | *** | *** |
| Asoma LLC | *** | *** | *** |
| Borusan Mannesmann Boru Sanayi[1] | *** | *** | *** |
| Commercial Metals Company | *** | *** | *** |
| Cone Co. Inc. | *** | *** | *** |
| CPW America Co. | *** | *** | *** |
| Dosco America, Inc. | *** | *** | *** |
| Exim America Trading, Inc. | *** | *** | *** |
| Falcon Metal LLC | *** | *** | *** |
| Global Business Inc. | *** | *** | *** |
| Greenwood International | *** | *** | *** |
| Hanwa American Corporation | *** | *** | *** |
| Husteel USA Inc.[3] | *** | *** | *** |
| Hylsa S.A. de C.V. | *** | *** | *** |
| Hyundai Corporation, USA | *** | *** | *** |
| Hyundai Pipe of America | *** | *** | *** |
| IPSCO Tubulars Inc. | *** | *** | *** |
| James Steel, Inc. | *** | *** | *** |
| Kurt Orban Partners | *** | *** | *** |
| MAN Ferrostaal Inc. | *** | *** | *** |
| MB Metals Inc. | *** | *** | *** |
| Mitsui Steel, Inc. | *** | *** | *** |
| North Pacific Group | *** | *** | *** |
| Northwest Wood Specialties | *** | *** | *** |
| Saha Thai | *** | *** | *** |
| Santana Nursery | *** | *** | *** |
| SeAH Steel America (Pusan Pipe) | *** | *** | *** |
| Southland Pipe Nipples Co., Inc. | *** | *** | *** |
| Steelco, Inc. | *** | *** | *** |
| Stemcor USA, Inc. | *** | *** | *** |

Table continued on next page.

**Table CIRCULAR I-12--*Continued***
**Circular welded pipe and tube: U.S. importers, the source of their imports, their reported geographic coverage, and their shares of reported U.S. imports, 1999-2005**

| Firm | Source(s) | Reported geographic coverage | Share of total imports reported over the period 1999-2005 |
|---|---|---|---|
| Sweetwater Steel Company | *** | *** | *** |
| S&P Steel Products and Services | *** | *** | *** |
| Totem Steel International | *** | *** | *** |
| Toyota Tsusho America, Inc. | *** | *** | *** |
| Voestalpine Elmsteel Inc. | *** | *** | *** |

[1] Began as the importer of record for its exports to the United States in 2004.
[2] Less than 0.05 percent of reported imports over the period 1999-2005.
[3] Prior to 2002 this firm operated under the name Shinho America. Husteel was not able to provide data on imports prior to 2002.
[4] This firm is a foreign producer in Thailand ***. Saha Thai ***.
[5] Voestalpine Elmsteel Inc. did not import circular welded pipe over the period under review, but arranged to import *** short tons of material from *** in 2006.

Note.--This table reports imports from all subject sources for the entire period of review. Staff notes, however, that U.S. importers often did not report for the entire period. This table also, in some instances, reports imports of nonsubject merchandise from subject sources. As an example, several firms reporting imports from India cited Zenith as the foreign producer. Zenith's material is considered nonsubject because it received a *de miminis* margin in the original antidumping investigation on India even though the material being imported in those instances is circular welded pipe and tube. However, for the firms with substantial shares of imports between 1999 and 2005, the data do relate to imports of subject merchandise.

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. Purchasers

Twenty purchasers provided questionnaires, and two reported that they had not purchased circular welded pipe and tube since January 1999. The remaining 33 purchasers that received questionnaires did not respond. Table CIRCULAR-I-13 presents a summary of information relating to purchasers.

**Table CIRCULAR-I-13**
**Circular welded pipe and tube: U.S. purchasers, their U.S. headquarters, their sources of purchases, and type of firm**

| Company | Headquarters | Source of purchases | Type of firm |
|---|---|---|---|
| Beck Manufacturing | Waynesboro, PA | ***<br>*** | Manufacturer |
| Central Steel & Wire Company | Chicago, IL | *** | Distributor |
| Chicago Tube and Iron | Romeoville, IL | ***<br>*** | Distributor |
| Columbia Pipe & Supply | Chicago, IL | *** | Distributor |
| Consolidated Pipe and Supply | Birmingham, AL | *** | Distributor |
| Deacon Industrial Supply | New Castle, DE | ***<br>*** | Distributor |

Table continued on next page.

**Table CIRCULAR-I-13--*Continued***
**Circular welded pipe and tube: U.S. purchasers, their U.S. headquarters, their sources of purchases, and type of firm**

| Company | Headquarters | Source of purchases | Type of firm |
|---|---|---|---|
| Ferguson Fire and Fabrication | City of Industry, CA | ***<br>*** | Distributor |
| Hughes Supply | Orlando, FL | ***<br>*** | Distributor |
| Kelly Pipe | Santa Fe Springs, CA | ***<br>***<br>*** | Distributor |
| McJunkin | Charleston, WV | ***<br>***<br>*** | Distributor |
| Marmon/Keystone | Butler, PA | ***<br>***<br>*** | Distributor |
| Master Halco | Orange, CA | ***<br>*** | Distributor |
| Morris Industries | Pompton Plains, NJ | ***<br>*** | Distributor |
| Mountain States Fence Co. | Salt Lake City, UT | *** | Manufacturer |
| Ramcast Ornamental Supply | Los Angeles, CA | ***<br>*** | Distributor |
| Reliance Steel | Albuquerque, NM | *** | Distributor |
| Ryerson | Chicago, IL | ***<br>*** | Distributor |
| Security Contractors | North Highlands, CA | *** | Distributor |
| Smith Pipe and Supply | Phoenix, AZ | ***<br>*** | Distributor |
| Swan Fence | Compton, CA | *** | Distributor |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | |

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table CIRCULAR-I-14 presents apparent U.S. consumption.

**Table CIRCULAR-I-14**
**Circular welded pipe and tube: Apparent U.S. consumption, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | |
| U.S. producers' U.S. shipments | 1,695 | 1,754 | 1,674 | 1,485 | 1,367 | 1,459 | 1,310 |
| Imports from-- | | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 237 | 376 | 294 | 308 | 184 | 223 | 176 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 75 | 164 | 157 | 10 | 92 | 267 | 372 |
| All other nonsubject | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 416 | 646 | 550 | 442 | 513 | 740 | 853 |
| Total imports | 653 | 1,022 | 845 | 750 | 697 | 963 | 1,028 |
| Apparent U.S. consumption | 2,348 | 2,777 | 2,519 | 2,236 | 2,064 | 2,422 | 2,339 |
| | **Value (*1,000 dollars*)** | | | | | | |
| U.S. producers' U.S. shipments | 939,581 | 980,421 | 892,797 | 799,570 | 810,803 | 1,211,111 | 1,212,496 |
| Imports from-- | | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 98,089 | 162,147 | 114,419 | 123,627 | 92,989 | 130,572 | 129,786 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 30,320 | 68,179 | 62,766 | 6,029 | 41,772 | 153,937 | 239,611 |
| All other nonsubject | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 219,634 | 332,426 | 259,002 | 231,602 | 264,078 | 513,122 | 651,863 |
| Total imports | 317,723 | 493,691 | 371,558 | 350,598 | 354,084 | 643,693 | 781,648 |
| Apparent U.S. consumption | 1,257,304 | 1,474,994 | 1,266,218 | 1,154,799 | 1,167,870 | 1,854,804 | 1,994,144 |

[1] Fewer than 500 short tons. {*Instances of this footnote were removed from the table due to confidentiality treatment*}

Source: Compiled from data submitted in response to Commission's questionnaires, official import statistics, Customs data, and Cansim (Canada) data.

Table CIRCULAR-I-15 presents market shares.

**Table CIRCULAR-I-15**
**Circular welded pipe and tube: Market shares, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (1,000 short tons) | | | | | | |
| Apparent U.S. consumption | 2,348 | 2,777 | 2,519 | 2,236 | 2,064 | 2,422 | 2,339 |
| | Value (1,000 dollars) | | | | | | |
| Apparent U.S. consumption | 1,257,304 | 1,474,994 | 1,266,218 | 1,154,799 | 1,167,870 | 1,854,804 | 1,994,144 |
| | Share of quantity (percent) | | | | | | |
| U.S. producers' U.S. shipments | 72.2 | 63.2 | 66.5 | 66.4 | 66.2 | 60.2 | 56.0 |
| Imports from-- | | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 10.1 | 13.6 | 11.7 | 13.8 | 8.9 | 9.2 | 7.5 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 3.2 | 5.9 | 6.2 | 0.5 | 4.5 | 11.0 | 15.9 |
| All other nonsubject | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 17.7 | 23.3 | 21.8 | 19.8 | 24.9 | 30.5 | 36.5 |
| Total imports | 27.8 | 36.8 | 33.5 | 33.6 | 33.8 | 39.8 | 44.0 |
| | Share of value (percent) | | | | | | |
| U.S. producers' U.S. shipments | 74.7 | 66.5 | 70.5 | 69.2 | 69.4 | 65.3 | 60.8 |
| Imports from-- | | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 7.8 | 11.0 | 9.0 | 10.7 | 8.0 | 7.0 | 6.5 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 2.4 | 4.6 | 5.0 | 0.5 | 3.6 | 8.3 | 12.0 |
| All other nonsubject | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 17.5 | 22.5 | 20.5 | 20.1 | 22.6 | 27.7 | 32.7 |
| Total imports | 25.3 | 33.5 | 29.5 | 30.8 | 30.6 | 34.7 | 39.2 |

[1] Less than 0.05 percent. {*Instances of this footnote were removed from the table due to confidentiality treatment*}.

Source: Compiled from data submitted in response to Commission's questionnaires, official Commerce import statistics, Customs data, and Cansim (Canada) data.

# PART CIRCULAR-II:
# CONDITIONS OF COMPETITION IN THE U.S. MARKET

## MARKET CHARACTERISTICS

Circular welded pipe and tube is used in various applications including commercial and residential fencing, plumbing, piling, transmission of air, water, and gas, and in sprinkler systems. The demand for circular welded pipe and tube depends on the level of demand for these downstream products, which in turn depends upon the strength of the U.S. economy and the level of nonresidential construction activity. The industry has been characterized by a large overall increase in the cost of its chief material input, hot-rolled steel, during the 1999-2005 period (*see* Part CIRCULAR-V).

Circular welded pipe and tube is sold to both distributors and directly to end users. During 1999-2005, the majority of shipments of both U.S.-produced and imported circular welded pipe and tube went to distributors. For U.S. producers, the percentage of sales to distributors ranged from 82.9 percent in 1999 to 86.7 percent in 2002, with the remainder going directly to end users. For importers from the subject countries, over 80 percent of shipments in each year between 2000 and 2005 were made to distributors; in 1999, 69.2 percent of importers' shipments went to distributors. U.S. imports of circular welded pipe and tube from Korea, Taiwan, and Turkey were shipped *** to distributors. U.S. imports of circular welded pipe and tube from India ***. U.S. imports of circular welded pipe and tube from Mexico ***.[1]

While *** U.S. producers, *** accounted for approximately one-half of U.S. production during 2005, a large share of the market is also supplied by a number of other suppliers. These other suppliers of circular welded pipe and tube include smaller producers, imports from the subject countries, and imports from nonsubject sources such as Canada and China. Responses from purchaser questionnaires show that buyers typically contact two or more potential suppliers before making a purchase. Purchaser responses also indicate that price is an important purchasing consideration, as discussed further in this section.

Circular welded pipe and tube is sold throughout the United States by both producers and importers from the subject countries. Among 19 responding U.S. producers, 10 reported that they sell nationwide and one reported that it sells in all states except Hawaii. The others reported that their sales are limited to one or more the following major regions; the Northeast, the Mid-Atlantic, the Midwest, the Southeast, the Southwest, the Rocky Mountains, the West Coast, and the Northwest. Among the 30 responding importers of product from the subject countries, four reported that they sell nationwide and the others reported that they sell in one or more of the following major regions; the Northeast, the Mid-Atlantic, the Midwest, the Southeast, the Southwest, the Rocky Mountains, the West Coast, and the Northwest. In addition to these general regions, five importing firms listed the Gulf regions and one listed central Oklahoma as market areas.

Lead times for delivery of circular welded pipe and tube vary widely depending upon whether the product is sold from inventory or produced to order. Among producers, the reported lead times ranged from as little as one day for products in inventory to as much as three months for items produced to order. Among importers, the lead times ranged from four days for products in inventory to five months for items produced to order.

---

[1] No channel structure data were reported for U.S. imports of circular welded pipe and tube from Brazil or Thailand.

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. Supply

#### Domestic Industry

Supply responsiveness of U.S. producers depends upon such factors as industry capacity utilization, the level of inventories, the availability of export markets, and the flexibility of shifting production equipment to other products.

The available data in these reviews indicate that the U.S. industry is likely to have a high degree of flexibility in expanding output and U.S. shipments in response to an increase in price. The main reasons supporting this degree of supply responsiveness are the low industry capacity utilization rates and the availability of inventories. U.S. producers' capacity utilization rates ranged from a low of 50.4 percent in 2005 to a high of 63.8 percent in 2001. The ratio of end-of-period inventories to total shipments ranged from a low of *** percent in 2005 to a high of *** percent in 2002.

However, U.S. producers' export shipments were consistently small during 1999-2005, accounting for between 2 and 3 percent of sales annually. When U.S. producers were asked about the ease of shifting sales from the U.S. market to foreign markets, none reported that such a shift would be easy. They cited such factors as high transportation costs, high tariffs, and low prices in other countries as barriers. One producer also cited "buy in-country" policies that apply in some cases in Canada and Mexico.

Most U.S. producers (18 of 20) reported that the equipment and machinery used to produce circular welded pipe and tube can also be used to make other products. Producers reported manufacturing products such as LWR pipe and tube, OCTG, line pipe, galvanized mechanical rounds and squares, and structural and mechanical tubing on the equipment used to produce the circular welded pipe and tube.

#### U.S. Imports

The ability of producers of circular welded pipe and tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey to increase their exports of circular welded pipe and tube to the U.S. market depends upon such factors as capacity utilization rates, planned expansions in capacity, current inventory levels, current levels of both home market sales and exports to markets other than the United States, and the potential for the diversion of exports from these other markets to the United States. The likely supply response is discussed separately for each country below where data are sufficient. In the case of Brazil and Taiwan, data are not sufficient to analyze the likely supply response due to a lack of questionnaire responses (see Part IV), and in the case of the other subject countries, data are largely incomplete.[2] [3]

In the case of India, available information from one producer, Tata, shows that industry capacity utilization ranged from a low of *** percent in 1999 to a high of *** percent in 2003. Home market

---

[2] For Brazil, information provided by the Brazilian Steel Pipe and Tube Association indicates that as many as two dozen companies may produce circular welded pipe and tube in Brazil. Overall capacity utilization was estimated to be 55.8 percent in 2004 for overall pipe operations, with standard pipe accounting for approximately one-third of overall pipe production.

[3] For Taiwan, published capacity data for carbon steel pipe and tube exist for five of seven companies that produce LWR pipe and tube: Far East Machinery Co. Ltd. (159,000 tons), Jaung Yuann Enterprise Co. Ltd. (5,000 tons), Yeun Chiyang (40,000 tons), Yieh Hsing Enterprise Co. (269,000 tons), and Yieh Loong (110,000 tons). Currently, no production or shipment data are available for these mills. In the case of the other two Taiwan companies, Kounan Steel Co. Ltd and Mayer Steel Corporation, no capacity data are available.

shipments *** during 1999-2005. There were no exports to the United States during 1999-2005. The data also indicate that inventory levels ranged from *** percent to *** percent of shipments between 1999 and 2005. However, ***.

In the case of Korea, available information from one producer, Husteel, shows that overall capacity utilization ranged from ***, while reported (unallocated) circular welded pipe and tube capacity utilization ranged from a low of *** percent in 2005 to a high of *** percent in 2004. The data also indicate that inventory levels ranged from *** percent to *** percent of shipments between 1999 and 2005. Home market shipments amounted to *** percent of all shipments in 2005 with exports to the United States accounting for *** percent, and exports to China and other Asian markets accounting for most of the remainder. The low rates of capacity utilization and the ability of the reporting Korean producer to divert some of its shipments from other export markets suggest that Korean producers have the ability to increase shipments to the United States in the event of a price change.

For Mexico, available information from three firms, Hysla, Prolama, and TuNA, shows that combined industry capacity utilization for these firms ranged between *** percent and *** percent annually during 1999 and 2005, although overall capacity utilization was generally *** during this period. During 2005, the capacity utilization rate was *** percent and the ratio of inventories to shipments was *** percent. Home market shipments accounted for *** percent of total shipments in 2005 with exports to the United States accounting for *** percent and other export markets accounting for the remainder. The existence of unused capacity and the ability of Mexican producers to divert some shipments from other export markets indicates that these producers have the ability to increase exports to the United States.

For Thailand, information from one firm, Saha Thai, shows that capacity utilization ranged between *** percent and *** percent annually during 1999 and 2005. Saha Thai reported *** inventories during this period. Home market shipments accounted for *** percent of total shipments in 2005 with exports to the United States accounting for *** percent of shipments, and other export markets accounting for the remainder. The existence of unused capacity suggests that Saha Thai could increase its shipments to the United States.

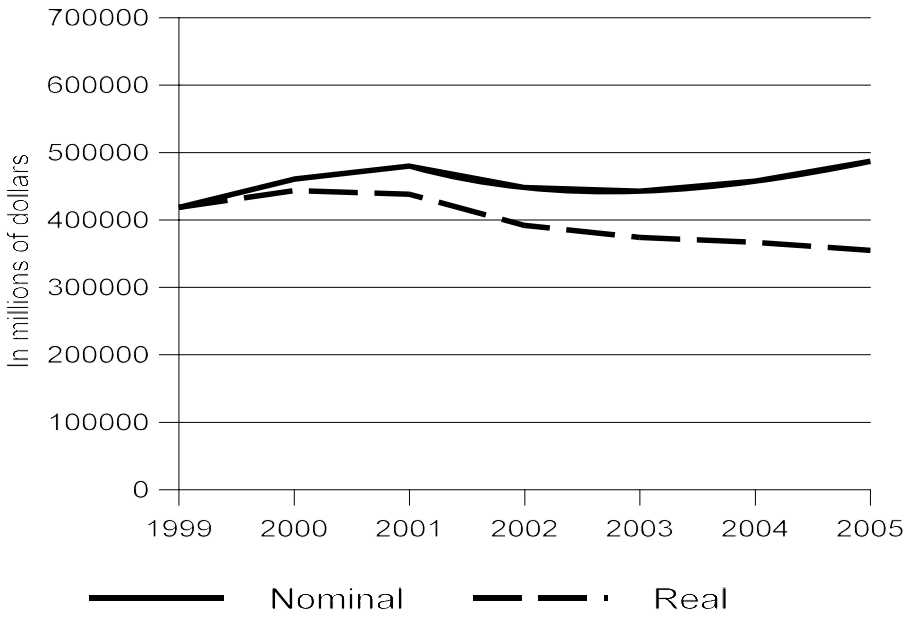
For Turkey, available information from four producers, Boruscan, Erbosan, Guven, and Noksel shows that industry capacity utilization ranged between 54.5 percent and 73.5 percent annually during 1999 and 2005. During 2005, the capacity utilization rate was 54.5 percent. The ratio of inventories to shipments was 6.8 percent during 2005. Home market shipments amounted to 71.4 percent of total shipments in 2005 with exports to the United States accounting for *** percent of shipments, and the European Union and other (non-Asian) export markets accounting for the remainder. The relatively low rates of capacity utilization, and the ability to divert some shipments from other markets, suggests that Turkish producers could expand exports to the United States.

## U.S. Demand

As discussed earlier, the demand for circular welded pipe and tube depends on the level of demand for downstream products using these pipe and tube products. Much of this demand is linked to nonresidential construction activity in the United States.[4] As shown in figure CIRCULAR-II-1 construction activity in the United States, as measured by the dollar value of construction put in place, has expanded during the 1999-2005 period. However, when adjusted for inflation in this sector, nonresidential construction shows a decline. During this period, apparent consumption of circular welded pipe and tube fluctuated, increasing from 2.3 million short tons in 1999 to 2.8 million short tons in 2000; decreasing steadily to 2.1 million short tons by 2003; then recovering in 2004 and 2005.

[4] *See* hearing transcript, p. 44 (Schagrin) and the domestic producers' prehearing brief, p. 26.

**Figure CIRCULAR-II-1**
**Construction spending: Total spending on public and private nonresidential construction in nominal terms and in real terms (adjusted for inflation), 1999-2005**




Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. http://www.census.gov/const/www/c30index.html# and Bureau of Economic Analysis National Economic Accounts, National Income and Product Accounts Table 1.1.4. - Price Indexes for Gross Domestic Product for Gross Private Domestic Investment: Fixed investment: Nonresidential: Structures. http://www.bea.gov/bea/dn/nipaweb/Index.asp

U.S. producers, importers, and purchasers were all asked to report whether the demand for circular welded pipe and tube had increased, decreased, or remained unchanged since 1999. Among producers, four reported that demand had increased, 12 reported that demand was unchanged, one reported that it had decreased, and three reported that it varied or fluctuated. Of the 18 responding importers, six reported that demand had increased, and 12 reported that it was unchanged. No importer reported that demand had decreased. Among purchasers, eight stated that demand had increased, six reported that demand was unchanged, three reported that demand had decreased, and two reported that demand was varied during the period. Questionnaire respondents that reported an increase in demand over the period generally attributed the increase to a growing economy and increased construction activity. One importer that reported reduced demand for circular welded pipe and tube attributed the reduction to increased use of polyvinyl chloride pipe as a substitute.

**Substitutes**

Nineteen of 20 U.S. producers, 13 out of 20 purchasers, and 11 of 30 importers reported that substitutes for circular welded pipe and tube exist. Products most commonly cited were PVC and other plastic pipes and line pipe. Other reported substitutes included copper pipe, cast iron pipe, and beams. Most questionnaire respondents reported that small changes in the prices of these substitutes do not affect the demand for circular welded pipe and tube.

**Cost Share**

Questionnaire responses indicate that the cost share of circular welded pipe and tube in the end products in which it is used varies widely. For fence applications, the cost estimates range from 20 percent to 99 percent; for plumbing they range from 20 to 40 percent; for fire sprinklers they range from 15 to 30 percent, and for structural applications they range from 20 to 85 percent. Other estimates include 50 percent for equipment manufacturers, 75 percent for water well casings, and 35 percent for hand rails.

## SUBSTITUTABILITY ISSUES

The degree of substitutability between domestic products and subject imports, between domestic products and nonsubject imports, and between subject imports from different sources and between subject and nonsubject imports is discussed in this section. The information is based mainly on questionnaire responses. Some of the information relating to substitutability was obtained from responses of 20 purchasers, though not all purchasers responded to all questions. Eighteen of these purchasers are distributors, while one uses circular welded pipe and tube in the manufacture of pipe fittings, and another uses it in fence construction.

Of these 20 firms, nine are located in the West (including Arizona, California, New Mexico, and Utah), four are located in Illinois, five are located in the East (including Delaware, New Jersey, Pennsylvania, and West Virginia), and two are located in the South including Alabama and Florida. Six of the purchasers have bought only from U.S. producers during 1999-2005, 13 have bought from both producers and from subject and/or nonsubject imports during this period, and one purchaser bought only from subject and nonsubject sources.

### Factors Affecting Purchasing Decisions

Purchasers were asked to rank the three most important factors involved in purchasing decisions. Of the 19 purchasers that responded, a majority ranked price and quality among the top two factors (table CIRCULAR II-1).

**Table CIRCULAR-II-1**
**Circular welded pipe and tube: Ranking of factors used in purchasing decisions as reported by U.S. purchasers**

| Factor | Number of firms reporting | | |
|---|---|---|---|
| | Number one factor | Number two factor | Number three factor |
| Availability | 0 | 6 | 8 |
| Price | 8 | 6 | 3 |
| Quality | 6 | 4 | 3 |
| Other[1] | 4 | 2 | 4 |

[1] Other factors include acceptability, delivery, freight, prearranged contracts, and traditional supplier.

Source: Compiled from data submitted in response to Commission questionnaires.

In addition to these rankings, purchasers were also asked to report whether the factors shown in table CIRCULAR-II-2 are “very important ,” “somewhat important,” or “not very important” in their purchasing decisions. The factors listed by the most firms as “very important” were quality meets industry standards (20 firms), price (18 firms), product consistency (18 firms), availability (17 firms), reliability of supply (17 firms), and delivery time (15 firms). Other factors with a large number of

purchasers reporting the factor as “very important” include U.S. transportation costs (13 firms) and discounts offered (9 firms).

**Table CIRCULAR-II-2**
**Circular welded pipe and tube: Importance of purchasing factors, as reported by U.S. purchasers**

| Factor | Very important | Somewhat important | Not important |
|---|---|---|---|
| | *Number of firms responding* | | |
| Availability | 17 | 3 | 0 |
| Delivery terms | 8 | 11 | 0 |
| Delivery time | 15 | 5 | 0 |
| Discounts offered | 9 | 10 | 1 |
| Extension of credit | 5 | 11 | 4 |
| Price | 18 | 2 | 0 |
| Minimum quantity requirements | 4 | 13 | 3 |
| Packaging | 8 | 10 | 1 |
| Product consistency | 18 | 2 | 0 |
| Quality meets industry standards | 20 | 0 | 0 |
| Quality exceeds industry standards | 6 | 13 | 1 |
| Product range | 6 | 11 | 2 |
| Reliability of supply | 17 | 3 | 0 |
| Technical support/service | 6 | 13 | 1 |
| U.S. transportation costs | 13 | 7 | 0 |

Note: Some purchasers did not rank all factors.

Source: Compiled from data submitted in response to Commission questionnaires.

## Comparisons of Domestic Products and Subject Imports

In order to determine whether U.S.-produced circular welded pipe and tube can generally be used in the same applications as imports from the subject countries, producers, importers, purchasers were asked whether the product can “always,” “frequently,” “sometimes,”or “never” be used interchangeably. As shown in table CIRCULAR II-3, a majority of questionnaire respondents reported that the products are always or frequently interchangeable if they were familiar with the imported product (which most purchasers were not).

In addition to questions concerning interchangeability, producers and importers were also asked to compare U.S.-produced products with imports from each of the subject countries in terms of product differences such as quality, availability, product range, and other characteristics. In this response, most producers reported that the differences are sometimes or never significant, while importers were more mixed, with some firms reporting that the differences are sometimes or frequently significant (table CIRCULAR-II-4). Purchasers also were asked to compare U.S.-produced circular welded pipe and tube with the imported product from the subject countries with regard to 15 selected characteristics, noting whether the domestic product was superior, comparable, or inferior to the imported product.

**Table CIRCULAR-II-3**
**Circular welded pipe and tube: Interchangeability of product from the United States and subject and nonsubject sources[1]**

| | U.S. producers | | | | | U.S. importers | | | | | Purchasers | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Country comparison | A | F | S | N | 0 | A | F | S | N | 0 | A | F | S | N | 0 |
| U.S. vs. Brazil | 14 | 3 | 1 | 0 | 1 | 3 | 1 | 0 | 0 | 26 | 4 | 0 | 0 | 0 | 16 |
| U.S. vs. India | 13 | 4 | 1 | 0 | 1 | 4 | 3 | 0 | 1 | 22 | 4 | 1 | 0 | 0 | 15 |
| U.S. vs. Korea | 15 | 3 | 1 | 0 | 0 | 6 | 3 | 0 | 1 | 20 | 8 | 3 | 2 | 0 | 7 |
| U.S. vs. Mexico | 16 | 2 | 1 | 0 | 0 | 6 | 2 | 1 | 1 | 20 | 4 | 1 | 1 | 0 | 14 |
| U.S. vs. Taiwan | 16 | 2 | 1 | 0 | 0 | 4 | 1 | 0 | 0 | 25 | 4 | 0 | 1 | 0 | 15 |
| U.S. vs. Thailand | 15 | 2 | 1 | 0 | 1 | 3 | 2 | 0 | 0 | 25 | 5 | 2 | 0 | 0 | 13 |
| U.S. vs. Turkey | 15 | 2 | 1 | 0 | 0 | 4 | 1 | 0 | 0 | 25 | 4 | 0 | 1 | 1 | 14 |
| U.S. vs. nonsubject | 14 | 2 | 1 | 0 | 2 | 4 | 2 | 0 | 0 | 24 | 6 | 2 | 1 | 1 | 10 |

[1] Producers, importers, and purchasers were asked if circular welded pipe and tube produced in the United States and in other countries is used interchangeably.

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

**Table CIRCULAR-II-4**
**Circular welded pipe and tube: U.S. producers and importers' perceived importance of factors other than price in sales of products produced in the United States and in other countries**

| | U.S. producers | | | | | U.S. importers | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Country comparison | A | F | S | N | 0 | A | F | S | N | 0 |
| U.S. vs. Brazil | 1 | 0 | 7 | 8 | 3 | 1 | 1 | 0 | 2 | 26 |
| U.S. vs. India | 1 | 0 | 7 | 8 | 3 | 2 | 2 | 0 | 2 | 24 |
| U.S. vs. Korea | 2 | 0 | 6 | 9 | 2 | 1 | 3 | 1 | 3 | 22 |
| U.S. vs. Mexico | 2 | 0 | 6 | 9 | 2 | 1 | 2 | 1 | 3 | 23 |
| U.S. vs. Taiwan | 2 | 0 | 6 | 9 | 2 | 1 | 2 | 0 | 2 | 25 |
| U.S. vs. Thailand | 1 | 0 | 6 | 9 | 3 | 1 | 1 | 1 | 2 | 25 |
| U.S. vs. Turkey | 1 | 0 | 6 | 9 | 3 | 1 | 1 | 1 | 2 | 25 |
| U.S. vs. nonsubject | 1 | 0 | 7 | 8 | 3 | 1 | 3 | 0 | 2 | 24 |

[1] Producers, importers, and purchasers were asked if circular welded pipe and tube produced in the United States and in other countries is used interchangeably.

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

Eight firms made comparisons between the circular welded pipe and tube from the United States and from Korea, and four firms made comparisons between the United States and Mexico. These comparisons are presented in table CIRCULAR-II-5. For Korea, responding purchasers reported that the U.S.-produced product is regarded as superior in a majority of cases in with regard to availability, delivery terms, and delivery time, but that prices of the imports from Korea tend to be lower. For Mexico, information from the four responding purchasers show that circular welded pipe and tube from the United States is viewed as superior in availability, delivery terms, delivery time, reliability of supply,

and technical support/service, but inferior with regard to price (i.e., U.S. product is generally priced higher). In addition to these comparisons, one firm compared the United States with Thailand and one compared the United States with Turkey. In the comparison with Thailand, the United States was ranked superior in quality exceeding industry standards and product range and comparable in all other respects. In the comparison with Turkey, the United States was ranked superior in availability and delivery time, inferior in price, and comparable in all other characteristics.

**Table CIRCULAR-II-5**
**Circular welded pipe and tube: Comparisons of product by source country as reported by U.S. purchasers**

| Factor | U.S. vs Korea | | | U.S. vs Mexico | | | U.S. vs Thailand | | | U.S. vs Turkey | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | S | C | I | S | C | I | S | C | I | S | C | I |
| | *Number of firms responding* | | | | | | | | | | | |
| Product availability | 7 | 1 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 |
| Delivery terms | 6 | 2 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 |
| Delivery time | 8 | 0 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Discounts offered | 0 | 7 | 1 | 0 | 4 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Extension of credit | 2 | 6 | 0 | 0 | 4 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Lowest price | 0 | 1 | 6 | 0 | 0 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| Minimum quantity requirements | 3 | 4 | 1 | 0 | 4 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Packaging | 1 | 7 | 0 | 0 | 4 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Product consistency | 1 | 7 | 0 | 1 | 3 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Quality meets industry standards | 1 | 7 | 0 | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Quality exceeds industry standards | 3 | 5 | 0 | 1 | 3 | 0 | 1 | 0 | 0 | 0 | 1 | 0 |
| Product range | 1 | 7 | 0 | 1 | 3 | 0 | 1 | 0 | 0 | 0 | 1 | 0 |
| Reliability of supply | 4 | 4 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| Technical support/service | 4 | 4 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |
| U.S. transportation costs | 1 | 7 | 0 | 2 | 2 | 0 | 0 | 1 | 0 | 0 | 1 | 0 |

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.

Note.--Some purchasers did not make comparisons for all characteristics.

Source: Compiled from data submitted in response to Commission questionnaires.

## Comparisons of Domestic Products and Nonsubject Imports

In addition to comparing U.S.-produced circular welded pipe and tube with imports from the subject countries, producers and importers were asked to compare the U.S. product with imports from nonsubject countries in terms of interchangeability and product differences, and purchasers were asked to compare them in terms of interchangeability. The data available from the questionnaire responses indicate that the majority of questionnaire respondents regard the products to be always or frequently interchangeable. In terms of product differences, responses generally indicated that the differences are sometimes or never significant. Most importers did not respond to this question.

### Subject vs. Nonsubject Imports

Producers and importers were also asked to compare the imported product from the subject countries with imports from nonsubject countries in terms of interchangeability and product differences, and purchasers were asked to compare them in terms of interchangeability. The limited data available from the questionnaire responses indicate that the majority of questionnaire respondents regard the products to be always or frequently interchangeable. In terms of product differences, responses generally indicated that the differences are sometimes or never significant.

### Comparisons of Subject Products From Different Subject Countries

U.S. producers and importers of circular welded pipe and tube from all sources were further asked to compare imports from the seven subject countries both in terms of interchangeability and product differences. The limited data available from the questionnaire responses indicate that the majority of questionnaire respondents regard the products to be always or frequently interchangeable. In terms of product differences, responses generally indicated that the differences are sometimes or never significant.

## ELASTICITY ESTIMATES

This section discusses elasticity estimates for circular welded pipe and tube. Parties were encouraged to comment on these estimates as an attachment to their prehearing briefs; comments are addressed as appropriate.

### U.S. Supply Elasticity[5]

The domestic supply elasticity for circular welded pipe and tube measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of circular welded pipe and tube. This elasticity depends upon capacity utilization, the producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced circular welded pipe and tube. Because of the considerations discussed earlier, such as the low rate of industry capacity utilization and the large inventories, it is likely that the supply elasticity is high. An estimate in the range of 5 to 10 appears to be reasonable. In their prehearing brief, the domestic interested parties stated that this estimate was reasonable.[6]

### U.S. Demand Elasticity

The U.S. demand elasticity for circular welded pipe and tube depends on the availability of substitute products as well as the share of circular welded pipe and tube in the production cost of downstream products. While there are some substitutes for circular welded pipe and tube questionnaire responses show that in most cases, small changes in the prices of these substitutes would have little, if any effect on the demand for the subject product. Based on the available information, the aggregate demand for circular welded pipe and tube is likely to be somewhat inelastic. An estimate in the range of -0.75 to -1.0 is suggested.

---

[5] A supply function is not defined in the case of a non-competitive market.

[6] The domestic interested parties' discussion of elasticities is presented in their prehearing brief in Exhibit 4 on pp. 13-16.

In their prehearing brief, the domestic interested parties argued that the upper end of this estimate is too high since the staff report indicates that small changes in the prices of substitutes (PVC, other plastic pipe, copper pipe, and cast iron) do not affect the demand for circular welded pipe and tube. They also argued that the downstream uses of circular welded pipe and tube in nonresidential construction projects represents a very small part of the overall cost of those projects, and thus, the costs of this subject product is not likely to have much influence on the decision to carry out a particular construction project. Therefore, they argue that the upper end of the staff estimate -1.0 is too high. They propose a range of -0.5 to -0.75.

Since the demand for circular welded pipe and tube is generally not sensitive to small changes in the prices of substitutes, this does suggest a low demand elasticity. However, at the same time the domestic interested parties' argument that the subject product accounts for only a small share of the final cost of the product is not valid in many applications such as fencing, fire sprinklers, handrails, structural applications and others where it actually accounts for a substantial share of the final cost as noted earlier in this section. For this reason, there does not seem to be a strong argument for lowering the range of the staff estimate of -0.75 to -1.0. However, it is likely that the elasticity is near the lower end of this range.

**Substitution Elasticity**

The elasticity of substitution depends on the extent of product differentiation between the domestic and imported products. Product differentiation depends on factors such as the range of products produced, quality, availability, and the reliability of supply. Based on available information, the elasticity of substitution between domestic and subject circular welded pipe and tube is likely to be moderately high and in the range of 4 to 6.

The domestic interested parties disagreed with the estimated range of 4 to 6, arguing that the range should be 6 to 9 since U.S.-produced and imported circular welded pipe and tube have repeatedly been found to be interchangeable in previous investigations. However, this estimate appears to be too high. While the majority of questionnaire respondents consider the products to be interchangeable in most applications, other factors may discourage substitution. For example, as shown in table CIRCULAR-II-5 (purchaser comparisons between imports from the United States with imports from Korea, Mexico, Thailand, and Turkey in 15 characteristics), a majority of purchasers ranked the U.S. product superior to the Korean and Mexican products in product availability, delivery terms, and delivery time. A majority also ranked the U.S. product superior to the Mexican product in reliability of supply and technical support. This information indicates that the U.S.-produced and subject imports are not always viewed as completely identical, even though can be used interchangeably. Therefore, the estimated range of 4 to 6 still appears to be most appropriate.

# PART CIRCULAR-III: CONDITION OF THE U.S. INDUSTRY

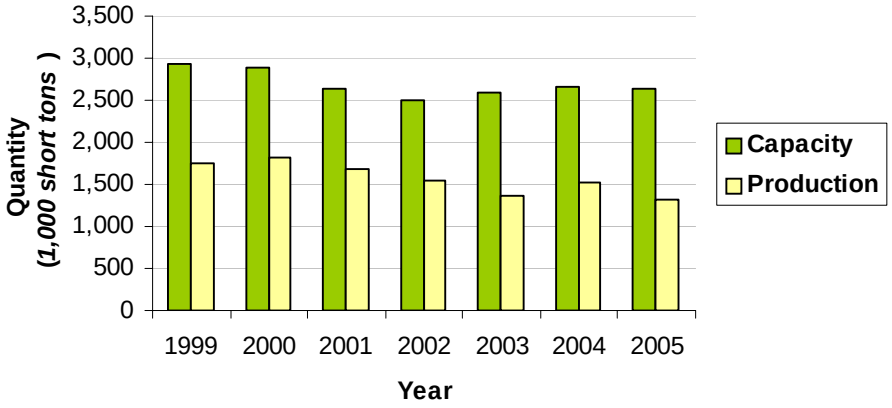
The information in this section of the report was compiled from responses to the Commission's questionnaires. Twenty firms, which accounted for the vast majority of U.S. production of circular welded pipes and tubes during the period for which data were collected, supplied information on their operations.[1] Staff also included data from three firms that have not had independent operations since 2002: Laclede, which went bankrupt in 2001; Sawhill, which Wheatland had purchased from AK Steel in 2002; and LTV Copperweld, whose assets were sold to Atlas in 2003.[2]

## U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Table CIRCULAR-III-1 presents data concerning capacity, production, and capacity utilization for domestic manufacturers of circular pipes and tubes. Figure CIRCULAR-III-1 graphically presents data concerning capacity and production.

Laclede filed for Chapter 11 bankruptcy a second time in late 2001 and was unable to restructure its operations. Citing import competition as the reason for its inability to compete in the circular steel pipe and tube market, the company exited completely the market for steel pipe and tube by selling its Fairless Hills, PA, facility.[3] To date, no entity has purchased Laclede's circular welded pipe and tube assets and the firm itself was liquidated in the bankruptcy proceedings.[4]

**Figure CIRCULAR-III-1**
**Circular welded pipe and tube: U.S. capacity and production, 1999-2005**




Source: Table CIRCULAR-III-1.

---

[1] U.S. producer Southland Tube is the primary known producer of circular welded pipe and tube not to have submitted a questionnaire response to the Commission's inquiry. Officials at Southland did not respond to staff's repeated attempts to get a response. Southland announced the construction of a new circular welded and LWR pipe and tube mill in April 2006. "Southland Tube kicks off $30M plant upgrade," American Metal Market, March 31, 2006.

[2] Atlas only reported data beginning in 2003 through the end of the period under review, 2005. Data were not available from Atlas on LTV Copperweld operations prior to 2003. Staff incorporated data for LTV Copperweld operations based on Atlas' submission and an LTV Copperweld submission from a previous investigation.

[3] "Laclede goes back to bankruptcy," Supply House Times, September 7, 2001. Found at: http://www.supplyht.com/CDA/Archives/994910b88c278010VgnVCM100000f932a8c0____, retrieved, March 28, 2006.

[4] Domestic interested parties' response to the notice of institution, p. 8.

**Table CIRCULAR-III-1**
**Circular welded pipe and tube: U.S. production capacity, production, and capacity utilization, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Capacity (*1,000 short tons*) | 2,926 | 2,883 | 2,640 | 2,510 | 2,601 | 2,661 | 2,629 |
| Production (*1,000 short tons*) | 1,739 | 1,814 | 1,686 | 1,541 | 1,355 | 1,513 | 1,325 |
| Capacity utilization (*percent*) | 59.4 | 62.9 | 63.8 | 61.4 | 52.1 | 56.9 | 50.4 |

Note.--These data differ from the prehearing staff report because of (i) the ***, (ii) the revision downwards of U.S. producer Hanna's data to reflect only its circular welded pipe and tube operations because previously it had reported nonsubject material in response to the Commission's questionnaire, (iii) revisions to capacity submitted by the domestic interested party, (iv) inclusion of data for LTV Copperweld between 1999 and 2002, and (v) staff revisions to select U.S. producers' capacity figures to reflect product mix allocations. *See* staff notes "Capacity Utilization Changes Following Hearing" for a more detailed description of these changes.

Source: Compiled from data submitted in response to Commission questionnaires.

In April 2002, Wheatland purchased the Sawhill facility from AK Steel.[5] In 2006, Wheatland announced the closure of its Sharon, PA facility and the laying of 140 employees citing its inability to compete with (nonsubject) imports of low-priced Chinese circular welded pipe and tube.[6]

In December 2002, Maverick purchased LTV Steel's Tubular Products Division during that firm's bankruptcy proceedings,[7] but subsequently consolidated its operations by closing down the Youngstown, OH, facility it had acquired in the LTV transaction.[8] The overall reduction in production capacity between 2000 and 2002 in figure CIRCULAR-III-1 reflects these shutdowns and consolidations.

After decreasing between 1999 and 2002, capacity increased in aggregate for the industry between 2002 and 2005 as firms brought online and further invested capital into earlier acquisitions. Notably, ***.[9]

Over the period reviewed the industry consolidated. In terms of capacity, there were four firms with approximately a ***-percent share of industry capacity each in 2000 and no single firm accounted for more than *** percent of industry-wide capacity. In 2005, there were four fewer producers of circular welded pipe and tube,[10] and only *** firms of the remaining 19 producers had individually more than *** percent of overall industry capacity. In terms of actual production, the two firms, ***, which accounted

[5] Ibid., p. 9. Due to this purchase and to ***, Wheatland ***. Wheatland ***. Because Wheatland ***, Wheatland's capacity utilization ***. Sawhill ***, while Wheatland ***.

[6] "Imports forcing Wheatland to close pipe mill" *American Metal Market*, March 28, 2006. The announcement of the closure of Wheatland's Sharon, PA facility coincided the announcement that The Carlyle Group (a private equity firm) recently purchased Wheatland from The John Maneely Company (a family-owned business).

[7] "LTV Transaction Background," The Blackstone Group, Corporate Advisory Services. Found at: http://www.blackstone.com/cases/mergers/ltv.html, retrieved March 28, 2006. *See also* Maverick's U.S. Producer's Questionnaire response, question II-2.

[8] Domestic interested parties' response to the notice of institution, p. 9.

[9] *** U.S. Producer's Questionnaire, questions II-8 and III–11 and *** U.S. Producer's Questionnaire, question II-9. Note, however, that some of the additional capacity might have resulted from improvements to ***.

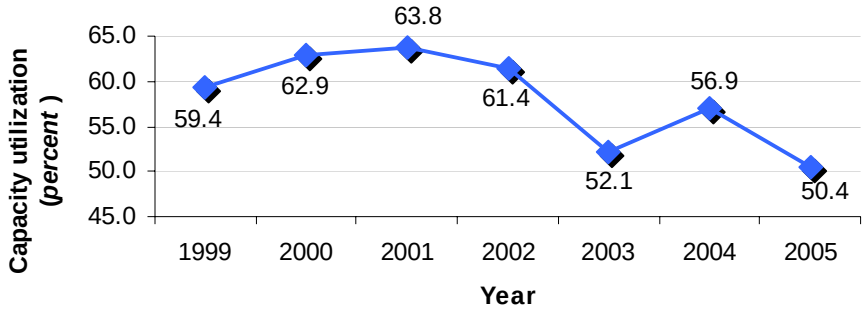
[10] Laclede shut down its circular welded pipe and tube operations in 2001. AK Steel sold Sawhill to Wheatland in 2002. In 2003, Copperweld ***, choosing to focus on the mechanical tubing market. In 2005, Copperweld became Dofasco Tubular Products at which point ***. *** had produced some *** circular welded pipe and tube between 1999 and 2001, however, it ceased these operations in 2001 as this firm's mills primarily produce ***.

for *** percent of the circular welded pipe and tube produced in the United States in 2000, increased their share to *** percent in 2005.[11]

Actual production of circular welded pipes and tubes in the United States decreased over the period reviewed, despite brief increases in production in 2000 and 2004 (*see* table CIRCULAR-III-1). According to economic analysts, trends in non-residential construction account for most the demand for circular welded pipe and tube.[12] Comparing data on non-residential construction (*see* table CIRCULAR-II-1), domestic trends in that sector of the construction industry do bear resemblance to data collected and reported in these reviews, suggesting that U.S. producers' increase in production in 2004 reflected increased demand for circular welded pipe and tube in plumbing, sprinkler, scaffolding and fencing applications in non-residential construction that year.[13] Average unit values also increased between 2003 and 2004 (*see* table CIRCULAR-III-3). While the domestic interested parties argue that production decreased in 2005 in line with trends in non-residential construction, some U.S. producers indicated in their questionnaires that competition from (nonsubject) imports of circular welded pipe and tube from China was the reason that actual production in the United States decreased between 2004 and 2005.

Given the decreases in the production of circular welded pipe and tube over the period under review and the fluctuation in capacity over the same period, capacity utilization for the industry first increased slightly and then declined in the later half of the period, with a brief partial recovery in 2004. Figure CIRCULAR-III-2 graphically presents information on the capacity utilization at the U.S. producers' circular steel pipe and tube facilities. In 2005, the domestic industry had its lowest capacity utilization rate of all seven years in the period under review.

**Figure CIRCULAR-III-2**
**Circular welded pipe and tube: Capacity utilization, 1999-2005**




Source: Table CIRCULAR-III-1.

Circular welded pipe and tube encompasses a wide variety of different pipe products whose properties, wall thickness, inner diameter, length, edging (beveled, threaded, coupled), and coating (laquer, paint, galvanized) are often based on end use and the ultimate customer's particular needs. Accordingly, some responding firms are faced with additional capacity constraints other than product-specific or even overall pipe producing capacity, *e.g.* zinc coating capacity for galvanized product or threading capacity for threaded product. Such finishing capacity is often specific to the product's intended end use. To the extent that U.S. producers cited capacity constraints in their questionnaires, they most often cited finishing capacity constraints as bottlenecks to production. Some U.S. producers have

[11] The majority of this change is attributable to ***.

[12] Hearing transcript, pp. 44-45 (Mr. Scott).

[13] ***.

responded to such capacity constraints by increasing capital expenditures to relieve a given bottleneck as perceived demand for a particular product becomes apparent.[14]

After finishing capacity constraints to production, U.S. producers more often cited demand side constraints to their production than they cited supply side constraints. Several U.S. producers cited competition from imports (China, a nonsubject country, was most often cited) as a constraint to production. Another demand side constraint relates to the batch production processes required for a run of a particular product, *i.e.* firms may conduct a cost-benefit analysis of the minimum amount of pipe they would need to run a given product specification to make it worthwhile (profitable, or help cover other costs) to produce.[15] U.S. producers reportedly serve specialty orders without import competition, because, as such orders are made-to-order, U.S. producers continue to maintain a delivery advantage.[16] However, according to one major producer in the United States, U.S. producers have lost their delivery advantage for most of the high-volume standardized pipe and tube as many major U.S. distributors reportedly stock foreign product alongside of domestic product.[17]

Table CIRCULAR-III-2 presents information on U.S. producers' overall pipe mill operations. Most U.S. producers that reported having other pipe mill operations in addition to circular welded pipe and tube indicated that they could switch production from their other mill operations to circular welded operations, and vice-versa, as market conditions dictate. While all the producers have the ability to produce other pipe products on the same mills that produce circular welded pipe and tube,[18] specific producers' ability to shift production to other products is limited due to mill technologies employed (*see* footnotes to table CIRCULAR-III-2).[19] Over the period under review, U.S. producers of circular welded pipe and tube products increased their other mill operations, namely production of multiple stencil line pipe and OCTG, which are two lines that reportedly command greater returns in the market. ***. Wheatland, which cannot produce OCTG on the majority of its mills, has nevertheless switched some of its production to EMT tubing, which is another category of pipe that reportedly faces limited import competition.[20] ***. ***.

---

[14] Examples of such capital expenditures include more conduit processing or additional beveling capacity.

[15] The shutdown of a CW mill is more costly than a shutdown of an ERW mill due to the necessity of keeping the gears and components, which handle near liquid steel, in the furnace in a CW mill from solidifying and stopping up the machine.

[16] Most circular welded pipe and tube production is based on highly standardized specifications for use in applications, such as plumbing, sprinkler systems, and fencing. Occasionally, U.S. producers need to meet non-standardized product specifications for an end-user's specific needs. Such made-to-order material might also fall within the general scope of the domestic like product in these reviews, *i.e.* are considered circular welded pipe and tube products, but are not necessarily the high-volume commodity material primarily considered circular welded pipe and tube.

[17] ***. Standardized, high-volume products allow producers to run their mills near continuously, thereby making a given product run more profitable given the 'sunk' batch costs.

[18] While *** was the only U.S. producer to report that it did not produce any other product categories on its circular welded pipe and tube mills, this firm does produce mechanical pipe at other facilities and it has the ability to produce its mechanical tubing on its circular welded pipe and tube mill, though has not done so since 1999. Telephone conversation, *** May 24, 2006.

[19] Hearing transcript, pp. 80-81 (Mr. Schagrin).

[20] Hearing transcript, p. 24 (Mr. Magno). Wheatland's website indicates that the company is a producer of API 5L "standard line pipe" and that it is entering the OCTG market, found at www.wheatlandtube.com, retrieved June 7, 2006.

**Table CIRCULAR-III-2**
**Welded pipe and tube: U.S. producers' overall pipe operations, 1999-2005**

| Item | Calendar years | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | |
| Total production capacity | 8,617 | 8,835 | 8,772 | 8,771 | 8,849 | 9,016 | 8,915 |
| Production of: | | | | | | | |
| LWR pipe and tube[1] | 418 | 391 | 335 | 382 | 405 | 393 | 360 |
| Circular pipe and tube: | | | | | | | |
| greater than 16" O. D. | 86 | 89 | 71 | 73 | 66 | 113 | 101 |
| between 4.5" and 16" O.D. | 1,035 | 1,127 | 1,034 | 859 | 686 | 761 | 682 |
| less than 4.5" O.D. | 633 | 636 | 613 | 636 | 623 | 683 | 593 |
| Line pipe:[2] | | | | | | | |
| single stencil | 414 | 339 | 393 | 357 | 398 | 245 | 387 |
| multiple stencil | 200 | 238 | 223 | 216 | 300 | 463 | 461 |
| OCTG[3] | 327 | 738 | 754 | 560 | 912 | 1,030 | 1,062 |
| Other[4] | 1,529 | 1,564 | 1,463 | 1,480 | 1,592 | 1,611 | 1,670 |
| Total production | 4,641 | 5,121 | 4,886 | 4,562 | 4,983 | 5,299 | 5,316 |
| | **Ratio (*percent*)** | | | | | | |
| Capacity utilization all pipe | 53.9 | 58.0 | 55.7 | 52.0 | 56.3 | 58.8 | 59.6 |
| Capacity utilization, circular welded pipe (from table CIRCULAR III-1) | 59.4 | 62.9 | 63.8 | 61.4 | 52.1 | 56.9 | 50.4 |

[1] LWR pipe producers: ***. These producers accounted for *** percent of the production of circular welded pipe and tube in 2005.
[2] Line pipe producers: ***. These producers accounted for *** percent of the production of circular welded pipe and tube in 2005.
[3] OCTG producers: ***. These producers accounted for *** percent of the production of circular welded pipe and tube in 2005.
[4] Other pipe producers: ***. These producers accounted for *** percent of the production of circular welded pipe and tube in 2005. *** also has the ability to produce mechanical pipe on its circular welded pipe and tube facilities, but did not report these capacities as it does not currently produce this material using the same machinery and equipment as for circular welded pipe and tube.

Note.–While data on Laclede's, Sawhill's, and LTV Copperweld's other pipe operations are not available, staff included capacity and production figures for these firms' circular welded pipe and tube operations. Trends between 2001 and 2003 should be interpreted with this in mind.

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Table CIRCULAR-III-3 presents data on U.S. producers' shipments by type.

**Table CIRCULAR-III-3**
**Circular welded pipe and tube: U.S. producers' shipments, by type, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| **Quantity (*1,000 short tons*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | 1,695 | 1,754 | 1,674 | 1,485 | 1,367 | 1,459 | 1,310 |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | *** | *** | *** | *** | *** | *** | *** |
| **Value (*1,000 dollars*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | 939,581 | 980,421 | 892,797 | 799,570 | 810,803 | 1,211,111 | 1,212,496 |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | *** | *** | *** | *** | *** | *** | *** |
| **Unit value (*per short ton*)** | | | | | | | |
| Commercial shipments | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | 554 | 559 | 533 | 538 | 593 | 830 | 925 |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Average | *** | *** | *** | *** | *** | *** | *** |
| **Share of quantity (*percent*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Share of value (*percent*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Compiled from data submitted in response to Commission questionnaires.

Between 1999 and 2005, U.S. producers' U.S. shipments followed the same general pattern as their production: decreasing over the period with brief increases in 2000 and 2004, followed by a decline in 2005. The increase in both U.S. producers' production and U.S. shipments in 2004 coincided with a substantial increase in the average unit values of these U.S. shipments. The average unit value of U.S. producers' U.S. shipments increased approximately 56 percent between 2003 and 2005.[21] U.S. producers' average unit values increased in conjunction with increases in raw material inputs, mainly hot-rolled steel coils (another steel mill product), and energy costs.

## U.S. PRODUCERS' INVENTORIES

Table CIRCULAR-III-4 presents data on U.S. producers' inventories of circular welded pipes and tubes. U.S. producers maintain inventories which account, on average, for approximately 11 to 14 percent of their production. The existence of these inventories relates to the batch nature of circular welded pipe and tube production.[22] Major distributors of circular welded pipe and tube also maintain inventories of many of the standardized, high-volume circular welded pipe and tube products. Since U.S. producers sell primarily to distributors of their product, end users often have multiple layers of inventory between them and the production of these products.[23]

**Table CIRCULAR-III-4**
**Circular welded pipe and tube: U.S. producers' inventories, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (*1,000 short tons*) | | | | | | |
| Inventories | 212 | 240 | 217 | 217 | 183 | 196 | 152 |
| | Ratios (*percent*) | | | | | | |
| Ratio to production | 12.2 | 13.2 | 12.9 | 14.1 | 13.5 | 13.0 | 11.5 |
| Ratio to U.S. shipments | 12.5 | 13.7 | 12.9 | 14.6 | 13.4 | 13.4 | 11.6 |
| Ratio to total shipments | *** | *** | *** | *** | *** | *** | *** |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | |

## U.S. PRODUCERS' PURCHASES

No U.S. producer reported purchases of imports of circular welded pipe and tube from subject sources. Only two U.S. producers reported purchases of nonsubject imports, and then only minimal quantities. Similarly, only two U.S. producers reported purchases of product from other U.S. producers. Overall U.S. producers' purchases were equivalent to only 1 to 4 percent of their production in a given year. Table CIRCULAR-III-5 presents data on U.S. producers' purchases of circular welded pipe and tube.

---

[21] Over the same period the U.S. Department of Labor's Producer Price Index ("PPI") for steel mill products, which includes but is not limited to steel pipe and tube mills, increased from 109.5 in 2003 to 159.7 in 2005, which confirms the data reported and indicates that the price increases were not limited to the industry subject to these reviews. The Department of Labor's PPI for steel mill products includes products such as steel hot-rolled coils, a raw material input for steel pipe and tube.

[22] For example, a producer will sell certain size ranges from inventory, while it is producing products in a different size range. The producer will schedule batch runs as necessary to replenish its stock.

[23] ***.

**Table CIRCULAR-III-5**
**Circular welded pipe and tube: U.S. producers' purchases, 1999-2005**

* * * * * * *

## U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table CIRCULAR-III-6 presents data on U.S. producers' employment, wages, and productivity.

**Table CIRCULAR-III-6**
**Circular welded pipe and tube: U.S. producers' employment, wages, and productivity, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Production related workers (number)[1] | 2,580 | 2,610 | 2,745 | 2,747 | 2,125 | 2,331 | 2,046 |
| Hours worked (1,000) | 5,427 | 5,664 | 5,864 | 5,318 | 4,611 | 4,675 | 4,097 |
| Wages paid ($1,000) | 89,972 | 96,381 | 98,432 | 96,944 | 85,182 | 90,494 | 79,992 |
| Hourly wages | $16.58 | $17.02 | $16.79 | $18.23 | $18.47 | $19.36 | $19.53 |
| Productivity (short tons per hour) | 0.320 | 0.320 | 0.287 | 0.290 | 0.294 | 0.324 | 0.323 |
| Unit labor costs (per short ton) | $51.83 | $53.19 | $58.40 | $62.90 | $62.86 | $59.80 | $60.37 |

[1] The total number of PRWs is overstated in 2002 as both AK Steel and Wheatland reported PRWs in this year for the Sawhill facility. Taking the increase in PRWs reported by Wheatland in 2002 over 2001 out of total PRWs industry in 2002, the figure is ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Over the period under review, employment measured by production and related workers ("PRWs") decreased by more than 500. The initial increase in PRWs from 1999 to 2001 was lost as Laclede exited the circular welded pipe and tube industry in 2001, and as Wheatland acquired *** the PRWs associated with the Sawhill facility. Additional PRWs were assigned (hired or transferred) to the circular welded pipe and tube lines in 2004 as demand for the product increased in line with the increase in non-residential construction, again primarily ***. U.S. producers reported fewer PRWs in 2005 relative to 2004, which also coincides with the decrease in U.S. producers' production and U.S. shipments of circular welded pipe and tube. At the same time that fewer employees were being assigned to circular welded pipe and tube production lines, these workers were employed for fewer hours, which raised productivity back to approximately the same level before Laclede exited and Sawhill became part of Wheatland. Given the changes in productivity in the industry and the gradual increase in hourly wages by approximately $3 between 1999 and 2005, the industry's labor cost on a per short ton basis increased irregularly by $8.54 between 1999 and 2005. All the same, the $60.37 per short ton unit labor cost in 2005 is lower than the unit labor costs in 2002 and 2003, reflecting primarily ***.

## FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

### Background

Twenty-two U.S. producers provided usable financial data on their operations on circular welded pipe and tube. These data are believed to account for the vast majority of U.S. production of such pipe

and tube in 2005.[24] While one firm reported internal consumption and two firms reported transfers, the quantity and value of these affiliated party transactions were small, accounting for less than *** percent of total sales (quantity and value) in most periods. Accordingly, these data are not presented separately in this section of the report. Two producers – Laclede and Newport – exited the industry during the period examined. Both producers ceased production and sales of circular welded pipe and tube in 2001. In addition, Wheatland acquired Sawhill in 2002.[25]

## Operations on Circular Welded Pipe and Tube

Income-and-loss data for U.S. producers on their operations on circular welded pipe and tube are presented in table CIRCULAR-III-7. Selected financial data, by firm, are presented in table CIRCULAR-III-8. The domestic industry's operating income generally declined from 1999 to 2003, then rebounded sharply in 2004. In 2005, operating income once again declined but was still higher than reported annual operating income during the period 1999 to 2003. Net sales quantities declined from 1999 to 2003 by 19 percent, increased from 2003 to 2004 by 7 percent, then declined again in 2005 by 10 percent. Net sales values declined from 1999 to 2003 by 13 percent, then increased from 2003 to 2005 by 49 percent. The declines in operating income generally cut across the entire industry, as 14 of 17 producers operating continuously from 1999 to 2003 reported a decrease in operating profits or deepening losses.

**Table CIRCULAR-III-7**
**Circular welded pipe and tube: Results of operations of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity *(1,000 short tons)*** | | | | | | |
| Total net sales | 1,728 | 1,800 | 1,712 | 1,469 | 1,401 | 1,498 | 1,348 |
| | **Value (*$1,000*)** | | | | | | |
| Total net sales | 959,174 | 1,007,248 | 915,465 | 795,982 | 834,561 | 1,243,926 | 1,245,783 |
| Cost of goods sold | 788,301 | 865,003 | 790,335 | 670,514 | 739,311 | 1,013,441 | 1,063,038 |
| Gross profit | 170,873 | 142,245 | 125,130 | 125,468 | 95,250 | 230,485 | 182,745 |
| SG&A expenses | 72,171 | 73,221 | 80,677 | 61,147 | 57,818 | 84,110 | 73,528 |
| Operating income | 98,702 | 69,024 | 44,453 | 64,321 | 37,432 | 146,375 | 109,217 |
| Interest expense | 15,360 | 15,331 | 14,820 | 11,481 | 17,899 | 20,302 | 10,483 |
| CDSOA income | 0 | 0 | 3,535 | 3,446 | 2,204 | 4,415 | 1,803 |
| Other income/(expense), net | (657) | (1,742) | (1,755) | (729) | (1,966) | (332) | (2,205) |
| Net income | 82,685 | 51,951 | 31,413 | 55,557 | 19,771 | 130,156 | 98,332 |
| Depreciation/amortization | 20,912 | 21,998 | 19,925 | 16,020 | 18,719 | 20,588 | 18,937 |
| Cash flow | 103,597 | 73,949 | 51,338 | 71,577 | 38,490 | 150,744 | 117,269 |

Table continued on next page.

[24] The producers and their fiscal year ends if other than December 31 are: Allied (September 29), American, Atlas, Bull Moose, CSI, Hanna, IPSCO, Laclede (September 30), Leavitt Tube, Lone Star, Maruichi, Maverick, Newport Steel, Northwest, Sawhill, Sharon, Stupp, Tex-Tube (September 30), U.S. Steel, Vest (January 31), Western Tube, and Wheatland (September 30). Although some firms have a fiscal year that differs from the calendar year, all firms except *** appear to have reported on a calendar year basis.

[25] Data for *** are available only for 2003-05.

**Table CIRCULAR-III-7--C*ontinued***
**Circular welded pipe and tube: Results of operations of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Ratio to net sales (*percent*)** | | | | | | |
| Cost of goods sold: | | | | | | | |
| Raw materials | 57.1 | 61.1 | 57.5 | 56.7 | 61.6 | 59.9 | 64.1 |
| Direct labor | 8.4 | 8.4 | 9.9 | 8.4 | 8.0 | 6.5 | 7.0 |
| Other factory costs | 16.7 | 16.3 | 18.9 | 19.2 | 19.0 | 15.1 | 14.3 |
| Total cost of goods sold | 82.2 | 85.9 | 86.3 | 84.2 | 88.6 | 81.5 | 85.3 |
| Gross profit | 17.8 | 14.1 | 13.7 | 15.8 | 11.4 | 18.5 | 14.7 |
| SG&A expenses | 7.5 | 7.3 | 8.8 | 7.7 | 6.9 | 6.8 | 5.9 |
| Operating income | 10.3 | 6.9 | 4.9 | 8.1 | 4.5 | 11.8 | 8.8 |
| Net income | 8.6 | 5.2 | 3.4 | 7.0 | 2.4 | 10.5 | 7.9 |
| | **Unit value (*per short ton*)** | | | | | | |
| Total net sales | $555 | $560 | $535 | $542 | $596 | $830 | $924 |
| Cost of goods sold: | | | | | | | |
| Raw materials | 317 | 342 | 307 | 307 | 367 | 497 | 592 |
| Direct labor | 47 | 47 | 53 | 45 | 48 | 54 | 64 |
| Other factory costs | 93 | 91 | 101 | 104 | 113 | 126 | 132 |
| Total cost of goods sold | 456 | 481 | 462 | 456 | 528 | 676 | 788 |
| Gross profit | 99 | 79 | 73 | 85 | 68 | 154 | 136 |
| SG&A expenses | 42 | 41 | 47 | 42 | 41 | 56 | 55 |
| Operating income | 57 | 38 | 26 | 44 | 27 | 98 | 81 |
| Net income | 48 | 29 | 18 | 38 | 14 | 87 | 73 |
| | **Number of firms reporting** | | | | | | |
| Operating losses | 7 | 6 | 7 | 7 | 7 | 1 | 1 |
| Data | 20 | 21 | 21 | 18 | 19 | 19 | 19 |

Source: Compiled from data submitted in response to Commission questionnaires.

The industry-wide financial decline reversed in 2004. Per-unit operating income substantially improved as the increase in per-unit net sales values ($234 per short ton) was much greater than the increase in unit cost of goods sold ("COGS") ($149 per short ton) and selling, general, and administrative ("SG&A") expenses ($15 per short ton) combined. As with the 1999 to 2003 decline, the 2003 to 2004 increase cut across the industry, as 15 of 19 producers reported increased operating profits or smaller losses.

The domestic industry's operating income declined in 2005 but remained higher than during 1999 to 2003. The decline in net sales quantities, coupled with the increase in unit COGS ($112 per short ton), was greater than the increase in net sales value ($94 per short ton) and decline in SG&A expenses ($2 per short ton). Again, the weaker results in 2005 appear to cut across the majority (13 of 19 producers) of the industry. From 2003 to 2005, the increase in COGS is due primarily to the increase in raw material costs. During this time, unit raw material costs increased by 61 percent, while unit direct labor and other factory costs combined increased by 22 percent.

**Table CIRCULAR-III-8**
**Circular welded pipe and tube: Results of operations of U.S. producers, by firm, 1999-2005**

* * * * * * *

A variance analysis for circular welded pipe and tube is presented in table CIRCULAR-III-9. The information for this variance analysis is derived from table CIRCULAR-III-7. The variance analysis provides an assessment of changes in profitability as it relates to changes in pricing, cost, and volume. The analysis shows that the improvement in operating income from 1999 to 2005 is primarily attributable to the higher favorable price variance despite an increased unfavorable net cost/expense variance (that is, prices rose higher than costs and expenses).

**Table CIRCULAR-III-9**
**Circular welded pipe and tube: Variance analysis on operations of U.S. producers, 1999-2005**

| Item | Between fiscal years | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999-2005 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
| | Value (*$1,000*) | | | | | | |
| Total net sales: | | | | | | | |
| Price variance | 497,489 | 8,364 | (42,540) | 10,116 | 75,634 | 351,329 | 126,553 |
| Volume variance | (210,880) | 39,710 | (49,243) | (129,599) | (37,055) | 58,036 | (124,696) |
| Total net sales variance | 286,609 | 48,074 | (91,783) | (119,483) | 38,579 | 409,365 | 1,857 |
| Cost of sales: | | | | | | | |
| Cost variance | (448,049) | (44,066) | 32,379 | 7,936 | (100,011) | (222,718) | (151,188) |
| Volume variance | 173,312 | (32,636) | 42,289 | 111,885 | 31,214 | (51,412) | 101,591 |
| Total cost variance | (274,737) | (76,702) | 74,668 | 119,821 | (68,797) | (274,130) | (49,597) |
| Gross profit variance | 11,872 | (28,628) | (17,115) | 338 | (30,218) | 135,235 | (47,740) |
| SG&A expenses: | | | | | | | |
| Expense variance | (17,224) | 1,938 | (11,036) | 8,109 | 482 | (22,271) | 2,151 |
| Volume variance | 15,867 | (2,988) | 3,580 | 11,421 | 2,847 | (4,021) | 8,431 |
| Total SG&A variance | (1,357) | (1,050) | (7,456) | 19,530 | 3,329 | (26,292) | 10,582 |
| Operating income variance | 10,515 | (29,678) | (24,571) | 19,868 | (26,889) | 108,943 | (37,158) |
| Summarized as: | | | | | | | |
| Price variance | 497,489 | 8,364 | (42,540) | 10,116 | 75,634 | 351,329 | 126,553 |
| Net cost/expense variance | (465,273) | (42,128) | 21,344 | 16,045 | (99,529) | (244,989) | (149,038) |
| Net volume variance | (21,700) | 4,086 | (3,374) | (6,293) | (2,994) | 2,603 | (14,673) |

Note.-- Unfavorable variances are shown in parentheses; all others are favorable.

Source: Compiled from data submitted in response to Commission questionnaires.

## Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures and research and development ("R&D") expenses are shown in table CIRCULAR-III-10. Aggregate capital expenditures irregularly declined from 1999 to 2005, while aggregate R&D expenses increased from 1999 to 2002 and declined from 2002 to 2005. *** and *** accounted for the majority of reported capital expenditures during most of the review period, while *** accounted for the vast majority of R&D expenses during the entire review period. In total, 20 firms reported capital expenditure data and four firms reported R&D data.

**Table CIRCULAR-III-10**
**Circular welded pipe and tube: Capital expenditures and research and development expenses of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Value (*$1,000*) | | | | | | |
| Capital expenditures | 33,644 | 23,253 | 18,374 | 37,606 | 29,085 | 23,314 | 31,166 |
| R&D expenses | *** | *** | *** | *** | *** | *** | *** |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | |

## Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of circular welded pipe and tube to compute return on investment ("ROI"). Although ROI can be computed in many different ways, a commonly used method is income divided by total assets. Therefore, ROI is calculated as operating income divided by total assets used in the production, warehousing, and sale of circular welded pipe and tube.

Data on the U.S. circular welded pipe and tube producers' total assets and their ROI are presented in table CIRCULAR-III-11. The total assets utilized in the production, warehousing, and sale of circular welded pipe and tube increased from $657 million in 1999 to $863 million in 2005. The ROI declined irregularly from 15.0 percent in 1999 to 5.1 percent in 2003, then improved to 17.7 percent in 2004 before once again declining to 12.7 percent in 2005. The trend in ROI was similar to the trend in the operating income margin during the reporting period.

**Table CIRCULAR-III-11**
**Circular welded pipe and tube: Value of assets and return on investment of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| **Value of assets:** | **Value (*$1,000*)** | | | | | | |
| Current assets: | | | | | | | |
| Cash and equivalents | 40,520 | 17,142 | 32,440 | 24,946 | 24,765 | 17,299 | 54,507 |
| Accounts receivable, net | 153,120 | 182,508 | 184,494 | 190,249 | 197,511 | 242,037 | 280,883 |
| Inventories (finished goods) | 106,098 | 131,785 | 127,110 | 139,510 | 124,096 | 145,371 | 133,787 |
| Inventories (raw materials and work in process) | 104,119 | 105,994 | 100,512 | 102,923 | 102,133 | 166,777 | 142,452 |
| Other | 6,386 | 8,320 | 11,306 | 9,981 | 11,645 | 17,652 | 22,444 |
| Total current assets | 410,243 | 445,749 | 455,862 | 467,609 | 460,150 | 589,136 | 634,073 |
| Property, plant and equipment: | | | | | | | |
| Original cost | 456,270 | 478,112 | 454,784 | 447,428 | 510,121 | 475,938 | 472,760 |
| Less: accumulated depreciation | 235,214 | 259,993 | 247,029 | 239,123 | 269,032 | 273,911 | 280,663 |
| Equals: Book value | 221,056 | 218,119 | 207,755 | 208,305 | 241,089 | 202,027 | 192,097 |
| Other non-current assets | 25,975 | 30,153 | 29,179 | 32,448 | 32,244 | 35,784 | 36,500 |
| Total assets | 657,274 | 694,021 | 692,796 | 708,362 | 733,483 | 826,947 | 862,670 |
| | | | | | | | |
| Operating income or (loss) | 98,702 | 69,024 | 44,453 | 64,321 | 37,432 | 146,375 | 109,217 |
| | **Share *(percent)*** | | | | | | |
| Return on investment | 15.0 | 9.9 | 6.4 | 9.1 | 5.1 | 17.7 | 12.7 |

Source: Compiled from data submitted in response to Commission questionnaires.

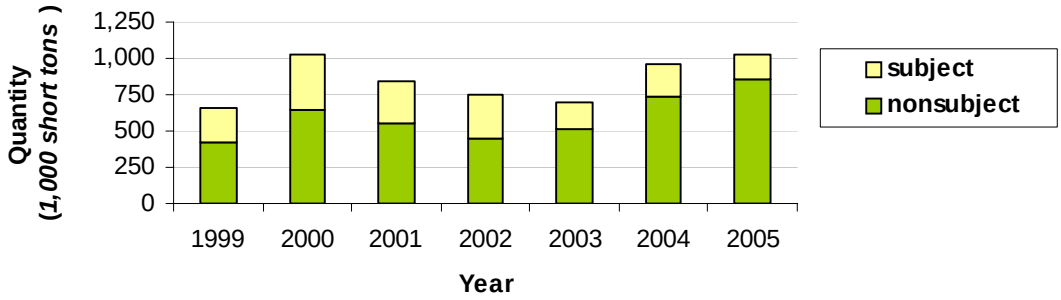
# PART CIRCULAR-IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

## U.S. IMPORTS

The Commission sent questionnaires to 164 firms believed to have imported circular welded pipe and tube between 1999 and 2005, and received usable data from 34 of the firms, while 27 firms indicated that they were not importing circular welded pipe and tube. Based on official Commerce statistics for imports of circular welded pipe and tube, firms providing usable responses to the Commission's questionnaire accounted for 57 percent of subject imports from all sources over the period under review. Import data in this report are derived from official Commerce statistics (as adjusted) for circular welded pipe and tube.[1]

Table CIRCULAR-IV-1 presents information on subject imports of circular welded pipe and tube from each of the subject countries and from all nonsubject countries for the period 1999-2005. Figure CIRCULAR-IV-1 graphically presents information on U.S. imports of circular welded pipe and tube by category.

**Figure CIRCULAR-IV-1**
**Circular welded pipe and tube: U.S. imports, by category, 1999-2005**




Source: Table CIRCULAR-IV-1.

[1] Adjustments to official statistics of Commerce are discussed following table CIRCULAR-IV-1.

**Table CIRCULAR-IV-1**
**Circular welded pipe and tube: Imports, by source, 1999-2005**

| Source | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, subject | 237 | 376 | 294 | 308 | 184 | 223 | 176 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 75 | 164 | 157 | 10 | 92 | 267 | 372 |
| All other sources | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, nonsubject | 416 | 646 | 550 | 442 | 513 | 740 | 853 |
| Total | 653 | 1,022 | 845 | 750 | 697 | 963 | 1,028 |
| | **Value (*1,000 dollars*)** | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, subject | 98,089 | 162,147 | 114,419 | 123,627 | 92,989 | 130,572 | 129,786 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 30,320 | 68,179 | 62,766 | 6,029 | 41,772 | 153,937 | 239,611 |
| All other sources | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, nonsubject | 219,634 | 332,426 | 259,002 | 231,602 | 264,078 | 513,122 | 651,863 |
| Total | 317,723 | 494,573 | 373,421 | 355,229 | 357,067 | 643,693 | 781,648 |
| | **Unit value (*per short ton*)** | | | | | | |
| Brazil | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subaverage, subject | 414 | 431 | 389 | 401 | 506 | 585 | 739 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 402 | 416 | 400 | 596 | 452 | 576 | 644 |
| All other sources | *** | *** | *** | *** | *** | *** | *** |
| Subaverage, nonsubject | 527 | 515 | 471 | 523 | 514 | 694 | 764 |
| Average | 487 | 484 | 442 | 473 | 512 | 668 | 760 |

Table continued on next page. Footnotes and notes at the end of the table.

**Table CIRCULAR-IV-1--*Continued***
**Circular welded pipe and tube: Imports, by source, 1999-2005**

| Source | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Share of quantity (*percent*)** | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, subject | 36.2 | 36.8 | 34.8 | 41.0 | 26.4 | 23.2 | 17.1 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 11.5 | 16.0 | 18.6 | 1.3 | 13.2 | 27.8 | 36.2 |
| All other sources | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, nonsubject | 63.8 | 63.2 | 65.2 | 59.0 | 73.6 | 76.8 | 82.9 |
| | **Share of value (*percent*)** | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, subject | 30.9 | 32.8 | 30.6 | 34.8 | 26.0 | 20.3 | 16.6 |
| Canada | *** | *** | *** | *** | *** | *** | *** |
| China | 9.5 | 13.8 | 16.8 | 1.7 | 11.7 | 23.9 | 30.7 |
| All other sources | *** | *** | *** | *** | *** | *** | *** |
| Subtotal, nonsubject | 69.1 | 67.2 | 69.4 | 65.2 | 74.0 | 79.7 | 83.4 |

[1] Fewer than 500 short tons. {*Instances of this footnote were removed from the table due to confidentiality treatment*}
[2] Not applicable. {*Instances of this footnote were removed from the table due to confidentiality treatment*}
[3] Less than 0.05 percent. {*Instances of this footnote were removed from the table due to confidentiality treatment*}

Source: Compiled from official statistics of Commerce, confidential Customs data, and Cansim data from Statistics Canada.

The data presented in table CIRCULAR-IV-1 and figure CIRCULAR-IV-I differ from those presented in the prehearing staff report due to (i) the use of “dutied” import quantities and values (the term “dutied” is described below) for circular welded pipe and tube from subject sources, except in the case of Thailand in 2005, (ii) the re-calculation of Canadian import quantities and values, consistent with domestic interested parties' calculations, to remove nonsubject material, e.g. mechanical tubing, in official imports from Canada, and (iii) the reclassification of Indian producer Zenith's exports to the United States

as nonsubject circular welded pipe and tube since this firm had received a *de minimus* margin in the original antidumping duty investigation on product from India.[2]

There are currently a countervailing duty order on imports of circular welded steel pipe and tube from Turkey and antidumping duty orders on imports of circular welded pipe and tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey ("subject sources"). As such, *** against imports of certain circular welded steel pipes and tubes into the United States from these countries over the period under review. Since not all the imports recorded under the HTS numbers from the subject sources are actually subject to these orders (some material being imported is nonsubject merchandise, such as mechanical tubing), official Commerce statistics for the period tend to overreport the quantities of subject imports. Staff compiled data on imports on which cash deposits have been collected in relation to the countervailing duty order and the antidumping duty orders in these reviews ("dutied" imports) versus those imports against which no cash deposits have been collected ("not dutied" imports). "Dutied" imports were used in calculating subject imports in table CIRCULAR-IV-1, except for Thailand in 2005 and for imports from BBBF between 2000 and 2004.[3] Table CIRCULAR-IV-2 presents information on official U.S. imports of circular welded pipes and tubes, distinguishing between "dutied" and "not dutied" imports based on Customs data. Figure CIRCULAR-IV-2 graphically presents information on dutied and non-dutied imports from all subject sources combined.

---

[2] *See* staff worksheet "Import statistics treatment note" for a detailed discussion of these changes. Staff notes that no party argued for the exclusion of mechanical tubing imports from nonsubject sources other than Canada and Mexico, which are believed to be the primary sources of mechanical tubing exports to the United States.

[3] Because Saha Thai received a *de minimis* margin in an administrative review in 2004, Customs stopped collecting cash deposits against that firm's exports of circular welded pipe and tube to the United States ***. Saha Thai's exports, however, are still subject to these reviews. ***. Because BBBF received a de minimis margin (less than 0.50 percent) in an administrative review in 2000, Customs stopped collecting cash deposits against that firm's exports of circular welded pipe and tube to the United States ***. Both Saha Thai's and BBBF's exports (not dutied) were added back on to the dutied imports to produce subject import figures in table CIRCULAR-IV-1. In addition to the firm BBBF and its exporting arm Borusan Ihracat Ithalat ve Dagitim A.S. ("Dagitim") that are identified in the Federal Register notice, the firm ***. The firm "Borusan," or Borusan Mannesmann Boru Sanayi ve Ticaret A.S. as defined later in this section, in its foreign producer questionnaire response, certified that its exports to the United States were subject to these reviews. The quantities reported by Borusan (***) *** BBBF's and Dagitim's exports between 2000 and 2004, which suggests that subject imports from Turkey in Part CIRCULAR-IV are understated.

**Table CIRCULAR-IV-2**
**Circular welded pipe and tube: U.S. imports, by source and by type, 1999-2005**

| From | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (*1,000 short tons*) | | | | | | |
| Brazil-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | ([1]) | ([1]) | 0 | ([1]) | 1 | 1 | 2 |
| India-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 10 | 29 | 24 | 79 | 63 | 82 | 38 |
| Korea-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 172 | 242 | 219 | 184 | 52 | 50 | 35 |
| Mexico-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 26 | 31 | 38 | 46 | 64 | 47 | 73 |
| Taiwan-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 48 | 53 | 49 | 59 | 17 | 41 | 20 |
| Thailand-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 48 | 98 | 62 | 89 | 66 | 66 | 81 |
| Turkey-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 13 | 24 | 25 | 55 | 66 | 88 | 41 |
| All subject countries-- | | | | | | | |
| Dutied | 237 | 374 | 289 | 295 | 176 | 223 | 95 |
| Not dutied | 81 | 101 | 130 | 217 | 152 | 151 | 195 |
| Subtotal, subject | 318 | 476 | 419 | 512 | 329 | 374 | 290 |

Table continued on next page. Footnotes and notes at the end of the table.

**Table CIRCULAR-IV-2--*Continued***
**Circular welded pipe and tube: U.S. imports, by source and by type, 1999-2005**

| From | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Value (*1,000 dollars*) | | | | | | |
| Brazil-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 72 | 62 | 0 | 59 | 306 | 969 | 1,807 |
| India-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 4,300 | 12,619 | 9,732 | 32,216 | 28,392 | 51,620 | 27,768 |
| Korea-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 69,662 | 101,421 | 83,171 | 73,575 | 27,371 | 30,778 | 28,524 |
| Mexico-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 13,250 | 17,298 | 15,454 | 21,077 | 30,330 | 42,343 | 64,314 |
| Taiwan-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 17,924 | 21,919 | 17,352 | 22,906 | 7,439 | 22,375 | 13,005 |
| Thailand-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 20,013 | 43,221 | 26,639 | 35,996 | 35,239 | 37,075 | 58,397 |
| Turkey-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 4,990 | 10,105 | 9,765 | 20,243 | 27,268 | 50,397 | 27,851 |
| All subject countries-- | | | | | | | |
| Dutied | 98,089 | 161,265 | 112,556 | 118,996 | 90,006 | 130,572 | 71,389 |
| Not dutied | 32,122 | 45,379 | 49,556 | 87,076 | 66,339 | 104,984 | 150,277 |
| Subtotal, subject | 130,212 | 206,644 | 162,113 | 206,073 | 156,346 | 235,556 | 221,666 |

Table continued on next page. Footnotes and notes at the end of the table.

**Table CIRCULAR-IV-2--*Continued***
**Circular welded pipe and tube: U.S. imports, by source and by type, 1999-2005**

| From | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Unit value (*per short ton*) | | | | | | |
| Brazil-- | | | | | | | |
| Dutied | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 1,605 | 2,062 | ([3]) | 1,627 | 569 | 679 | 1,013 |
| India-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 414 | 435 | 400 | 407 | 452 | 633 | 723 |
| Korea-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 405 | 419 | 380 | 399 | 525 | 620 | 818 |
| Mexico-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 518 | 567 | 402 | 462 | 471 | 905 | 886 |
| Taiwan-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 371 | 415 | 354 | 390 | 428 | 550 | 638 |
| Thailand-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 415 | 443 | 426 | 404 | 536 | 564 | 723 |
| Turkey-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 378 | 426 | 384 | 368 | 415 | 572 | 683 |
| All subject countries-- | | | | | | | |
| Dutied | 414 | 431 | 390 | 404 | 510 | 585 | 753 |
| Not dutied | 396 | 447 | 382 | 400 | 435 | 696 | 771 |
| Subaverage, subject | 410 | 434 | 387 | 402 | 476 | 630 | 765 |

[1] Fewer than 500 short tons.
[2] Saha Thai received a zero margin from an administrative review from Commerce on October 20, 2004. The quantity and value for non dutied imports from Thailand in 2005 were included in the subject import data for the purposes of Table CIRCULAR IV-1.
[3] Not applicable.

Note.--Subtotals are official Commerce statistics.

Source: Compiled from official statistics of Commerce and Customs data.

**Figure CIRCULAR-IV-2**
**Circular welded pipe and tube: U.S. Imports from subject sources, by type, 1999-2005**

* * * * * * *

## CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographic markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Fungibility considerations and channels of distribution are discussed in parts CIRCULAR-I and CIRCULAR-II of this report; additional information regarding geographic markets and presence in the market is discussed below.

### Geographic Markets

Table CIRCULAR-IV-3 presents the major Customs districts for subject imports of circular welded pipe and tube over the period under review.[4]

**Table CIRCULAR-IV-3**
**Circular welded pipe and tube: U.S. imports from subject countries, by sources and Customs districts, 1999-2005**

| Source | Customs district | Imports, 1999-2005 | |
|---|---|---|---|
| | | Quantity[1] (*1,000 short tons*) | Share (*percent*) |
| Brazil[2] | | | |
| | Portland, ME | *** | 100.0 |
| India | | | |
| | Houston-Galveston, TX | *** | *** |
| | Tampa, FL | *** | *** |
| | San Francisco, CA | *** | *** |
| | All other districts | *** | *** |
| | Total | 16 | 100.0 |
| Korea | | | |
| | Los Angeles, CA | *** | *** |
| | Houston-Galveston, TX | *** | *** |
| | Tampa, FL | *** | *** |
| | Columbia-Snake, OR | *** | *** |
| | All other districts[4] | *** | *** |
| | Total | 933 | 100.0 |

Table continued on next page.

[4] Official Commerce statistics measure imports at the port of entry; material imported into one district, however, may be shipped to another geographic region.

**Table CIRCULAR-IV-3--*Continued***
**Circular welded pipe and tube: U.S. imports from subject countries, by sources and Customs districts, 1999-2005**

| Source | Customs district | Imports, 1999-2005 | |
|---|---|---|---|
| | | Quantity[1] (*1,000 short tons*) | Share (*percent*) |
| Mexico | | | |
| | Laredo, TX | *** | *** |
| | San Diego, CA | *** | *** |
| | All other districts | *** | *** |
| | Total | 42 | 100.0 |
| Taiwan | | | |
| | Los Angeles, CA | *** | *** |
| | Columbia-Snake, OR | *** | *** |
| | San Francisco, CA | *** | *** |
| | All other districts | *** | *** |
| | Total | 92 | 100.0 |
| Thailand | | | |
| | Los Angeles, CA | *** | *** |
| | San Francisco, CA | *** | *** |
| | Tampa, FL | *** | *** |
| | Houston-Galveston, TX | *** | *** |
| | All other districts | *** | *** |
| | Total | 510 | 100.0 |
| Turkey | | | |
| | Tampa, FL | *** | *** |
| | Houston-Galveston, TX | *** | *** |
| | New Orleans, LA | *** | *** |
| | All other districts | *** | *** |
| | Total | 206 | 100.0 |

[1] Quantities may not sum due to rounding.
[2] Only one entry of subject circular welded pipe and tube from Brazil was recorded over the period under review.
[3] Fewer than 500 short tons.
[4] Other districts that took in more than *** short tons of subject circular welded pipe and tube from Korea include: San Francisco, CA; Seattle, WA; and Philadelphia, PA.

Source: Compiled from Customs data.

## Presence in the Market

Table CIRCULAR-IV-4 presents information on the monthly presence of subject imports. Subject imports from Brazil were often not present in the market in a given month over the period under review due to the relatively small quantities of circular welded pipe and tube imported each year. While subject imports from Thailand were occasionally not present in the market in a given month over the period under review, this reflects the fact that ***. While subject imports from India were not present in the U.S. market in 1999 and 2000, *** was importing circular welded pipe and tube in this period.

Beginning in 2001, several other producers in India began exporting subject circular welded pipe and tube to the United States not withstanding the orders in effect.

**Table CIRCULAR-IV-4**
**Circular welded pipe and tube: U.S. imports, monthly entries into the United States, by source, 1999-2005**

| Source | Month | | | | | | | | | | | | Total number of months |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| **1999** | | | | | | | | | | | | | |
| Brazil | | | | | | | | | | | | | 0 |
| India | | | | | | | | | | | | | 0 |
| Korea | | | | | | | | | | | | | 12 |
| Mexico | | | | | | | | | | | | | 12 |
| Taiwan | | | | | | | | | | | | | 1 |
| Thailand | | | | | | | | | | | | | 4 |
| Turkey | | | | | | | | | | | | | 5 |
| **2000** | | | | | | | | | | | | | |
| Brazil | | | | | | | | | | | | | 0 |
| India | | | | | | | | | | | | | 0 |
| Korea | | | | | | | | | | | | | 12 |
| Mexico | | | | | | | | | | | | | 12 |
| Taiwan | | | | | | | | | | | | | 11 |
| Thailand | | | | | | | | | | | | | 11 |
| Turkey | | | | | | | | | | | | | 3 |
| **2001** | | | | | | | | | | | | | |
| Brazil | | | | | | | | | | | | | 0 |
| India | | | | | | | | | | | | | 2 |
| Korea | | | | | | | | | | | | | 12 |
| Mexico | | | | | | | | | | | | | 11 |
| Taiwan | | | | | | | | | | | | | 6 |
| Thailand | | | | | | | | | | | | | 11 |
| Turkey | | | | | | | | | | | | | 3 |
| **2002** | | | | | | | | | | | | | |
| Brazil | | | | | | | | | | | | | 0 |
| India | | | | | | | | | | | | | 7 |
| Korea | | | | | | | | | | | | | 12 |
| Mexico | | | | | | | | | | | | | 12 |
| Taiwan | | | | | | | | | | | | | 3 |
| Thailand | | | | | | | | | | | | | 12 |
| Turkey | | | | | | | | | | | | | 7 |

Table continued on next page. Footnotes and notes at the end of the table.

**Table CIRCULAR-IV-4--*Continued***
**Circular welded pipe and tube: U.S. imports, monthly entries into the United States, by source, 1999-2005**

| Source | Month | | | | | | | | | | | | Total number of months |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| **2003** | | | | | | | | | | | | | |
| Brazil | | | | | ■ | | | | | | | | 1 |
| India | ■ | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | ■ | | ■ | 10 |
| Korea | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Mexico | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Taiwan | | | ■ | | | | | | | | ■ | | 2 |
| Thailand | ■ | ■ | ■ | | ■ | ■ | | ■ | | ■ | | ■ | 8 |
| Turkey | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | 10 |
| **2004** | | | | | | | | | | | | | |
| Brazil | | | | | | | | | | | | | 0 |
| India | ■ | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 11 |
| Korea | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Mexico | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Taiwan | ■ | ■ | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | 11 |
| Thailand | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | | | 9 |
| Turkey | ■ | | ■ | ■ | | ■ | | ■ | ■ | ■ | ■ | | 8 |
| **2005** | | | | | | | | | | | | | |
| Brazil | | | | | | | | | | | | | 0 |
| India | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Korea | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Mexico | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Taiwan | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |
| Thailand | ■ | | ■ | | ■ | ■ | | ■ | ■ | | ■ | ■ | 8 |
| Turkey | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | 12 |

Note: Shaded squares indicate that more than zero short tons of circular welded pipe and tube entered into the United States in the indicated month.

Source: Compiled from official statistics of Commerce and Customs data.

## U.S. IMPORTERS' INVENTORIES

U.S. importers in general did not report maintaining an inventory of subject product. Of the 34 completed questionnaires, only three importers reported an inventory of subject product, and two of them did not maintain inventories throughout the full period of review. The majority of U.S. importers sell their product to distributors who hold and maintain inventories of subject, nonsubject, and/or domestic product, consequently, the importers do not typically hold the inventory themselves. Additionally, some of the reporting U.S. importers are only brokers who serve as the importer of record for shipments that their clients actually receive in port. The sum of all subject inventories as reported by the responding U.S. importers did not exceed 3,000 short tons of material in any given year. Table CIRCULAR-IV-5 presents information on U.S. importers' inventories.

**Table CIRCULAR-IV-5**
**Circular welded pipe and tube: U.S. importers' inventories, 1999-2005**

* * * * * * *

## SUBJECT COUNTRY PRODUCERS

### The Industry in Brazil

The petition in the original investigation on certain circular welded non-alloy steel pipes and tubes from Brazil (731-TA-532) named five producers: Apolo, Confab, Fornasa, Mannesmann, and Perscio Pizzamiglio. Apolo, Fornasa, and Persico collectively had an annual production capacity of *** short tons for circular welded pipe and tube between 1989 and 1991. They produced between 144,000 and 202,000 short tons annually in those years, of which between 17 and 34 percent were being exported to the United States. It had been estimated, during the original investigation that these three reporting firms accounted for approximately *** percent of the production in Brazil.

Simdex Publishing indicates that there are currently four producers of steel pipe in Brazil: Apolo, Metalúrgica, Tubonal, and V&M.[5] Two of these firms have a reported capacity for steel pipe of 884,000 short tons, although V&M, which accounted for 661,000 short tons of that figure, indicated it had not produced and/or exported subject product over the period under review in response to the Commission's foreign producer questionnaire.

### Circular Welded Pipe Operations in Brazil

The Commission sent questionnaires to ten firms in Brazil as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

Apolo Tubos e Equipamentos ("Apolo");
Metalúrgica de Tubos de Precisão Ltda. ("Metalúrgica");
Vallourec & Mannessmann Tubes S.A. (formerly Mannesmann S.A.) ("V&M");
S.A. Tubonal ("Tubonal");
Zamprogna S.A. ("Zamprogna");
Acos Vic, Ltda. ("Acos");
Grupo Brastubo ("Brastubo");
Jandinox Ind. E Com Ltda ("Jandinox");
Magneti Marelli Escapamentos Ltda. ("Magneti Marelli"); and
Persico Pizzamiglio, S.A. ("Persico Pizzamiglio").

None of these firms provided data on their circular welded pipe and tube operations. One firm, ***, provided a questionnaire response indicating that it did not produce or export to the United States circular welded pipe and tube. One firm, ***, indicated it made some shipments of steel pipes it had purchased from a Brazilian supplier over the period under review, but that the firm currently only ships investment castings. According to *** (*see* table CIRCULAR-IV-2), noting that even quantities of goods entering under the subject HTS numbers over the period of review never exceeded 2,000 short tons in any year.

[5] May include seamless, light-walled rectangular, and other types of pipes and tubes beyond the scope of the antidumping duty order on Brazil. The reported capacity data consequently are not limited to circular welded pipe and tube.

The WTO reports that Canada first imposed antidumping duties on carbon steel welded pipe from Brazil on August 26, 1991,[6] and the Canadian International Trade Tribunal indicated that the order on carbon steel welded pipe from Brazil was continued following its most recent five-year review.[7]

The Brazilian Steel Pipe and Tube Association ("ABITAM") *** data on producers of circular welded pipe and tube in Brazil.[8] According to the ABITAM estimates, there are 25 firms capable of producing welded steel pipe and tube.[9] From data submitted by ABITAM, it appears that 24 of these 25 firms produce product subject to these reviews: 11 firms produce "water pipe black," and account for 9.6 percent of overall pipe production; 5 firms produce "water pipe galvanized," and account for 5.4 percent of overall pipe production; and 23 firms produce "structural hot-rolled circular," and account for 16.4 percent of overall pipe production. Most of the firms identified produce LWR pipe and tube and mechanical tubing on the same mills as they produce circular welded pipe and tube. Table CIRCULAR-IV-6 presents data on the Brazilian steel pipe and tube industry in 2004. According to ABITAM data, *** is the largest producer of circular welded pipe and tube used in water pipe applications, while *** are the largest producers of circular welded pipe and tube used in structural applications. Together, these three firms accounted for 72.7 percent of the circular welded pipe and tube in Brazil in 2004 as reported by ABITAM.

---

[6] Domestic interested parties' response to the Notice of Institution, exh. 3.

[7] *Certain Carbon Steel Welded Pipe Originating in or Exported from Argentina, India, Romania, Chinese Taipei, Thailand, Venezuela and Brazil*, Expiry Review No. R-2000-002, July 24, 2001, found at: ftp://ftp.citt-tcce.gc.ca/doc/english/Dumping/Reviews/Orders_Reasons/rr2a002e.pdf, retrieved April 11, 2006.

[8] Letter from ***, May 29, 2006.

[9] Aços Cearense, Apolo, Comafal, Comega, Ferrosider, Gravia, Kasakamoto, Kofar, Manchester, Marcegaglia, Meincol, Moderna, Nacional, Perf. Rio Doce, Perfipar, Persico, Sakamoto, Soufer, Triches, Tuberfil, Tuper, Tyco-Dinaço, Wiest, Zamprogna, and Zetone. Only three of these firms had been identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers. ABITAM apparently does not report for V&M, a known producer of OCTG in Brazil.

**Table CIRCULAR-IV-6**
**Welded pipe and tube: Overall pipe operations in Brazil, 2004**

| Item | Calendar year 2004 | Product includes |
|---|---|---|
| | | |
| Total production capacity | 1,858 | |
| Production of: | | |
| LWR pipe and tube | 238 | Includes "standard pipe: structural hot rolled, square" and "tube for industrial applications: square." |
| Circular welded pipe and tube | 325 | Includes “standard pipe: water pipe, black”, “standard pipe: water pipe, galvanized”, and “standard pipe: structural hot rolled, circular.” |
| OCTG | *** | Includes “other than standard pipe, oil industry.” |
| Mechanical tubing | *** | Includes "tube for industrial applications, circular." |
| Other | *** | Includes “other than standard pipe, conduit”, “other than standard pipe, zinc coated tube”, “other than standard pipe, heat exchange”, “other than standard pipe, precision”, and “other than standard pipe, others.” |
| Total production | 1,037 | |
| | | |
| Capacity utilization, all pipe | 55.8 | |

Note.–The actual totals for mechanical tubing and other pipe or tube products, which are not confidential, have been suppressed to keep the total for OCTG confidential. *** are the only two reported producers of OCTG in Brazil, although staff has an indication that V&M also produces OCTG.

Source: Compiled from data submitted in response to a letter requesting industry information from the national steel pipe trade association.

## The Industry in India

In the original investigation on certain welded carbon steel pipes and tubes from India (731-TA-271), four producers were identified as exporting subject product to the United States: Gujarat Steel Tubes, Ltd. (“Gujarat”), Jindal, TISCO, and Zenith. In its original LTFV determination, Commerce determined that Gujarat and Zenith were not importing subject product at LTFV. Zenith still exports circular welded pipe and tube to the United States, but this material is not subject to the antidumping duty order. Gujarat is no longer a going concern. TISCO (Tata Iron and Steel Co.) is the predecessor firm to Tata, the only Indian producer to supply the Commission with a useable questionnaire response in these reviews. Jindal and TISCO reported a combined capacity for producing *** short tons of circular welded pipe and tube between 1982 and 1985. They produced between *** and *** short tons in those years. TISCO accounted for the majority of the combined exports to the United States reported by TISCO and Jindal, and TISCO’s exports to the United States accounted for *** percent of its production in 1985.[10]

[10] TISCO ***.

Simdex Publishing indicates that there are currently 21 producers of steel pipe in India (*see* appendix E), not including the known producer Tata (formerly TISCO).[11] Ten of these 21 firms have a reported total capacity for steel pipe of 1,952,000 short tons. Adding Tata's reported production capacity of *** short tons in 2005, that figure rises to *** short tons of pipe capacity.

**Circular Welded Pipe Operations in India**

The Commission sent questionnaires to 46 firms in India as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

Advance Steel Tubes, Ltd. ("Advance")
Ajanta Tubes Ltd. ("Ajanta")
Apple Industries India Ltd. ("Apple Industries")
Asian Mills P. Limited ("Asian Mills")
Associated Stone Industries Ltd. ("Associated Stone")
Bhushan, Ltd. ("Bhushan")
Bihar Tubes, Ltd. (Division of Sudesh Group of Industries) ("Bihar")
BMW Industries, Ltd. - Tube Division ("BMW")
CM Logistics India Pvt. Ltd ("CM Logistics")
Dilshad Trading Co. Pvt. Ltd ("Dilshad")
Gemini Steel Tubes, Ltd. ("Gemini")
Goodluck Steel Tubes, Ltd. ("Goodluck")
Halin Exports ("Halin")
Highway Industries Ltd. ("Highway Industries")
Hi-Tech Pipes Ltd. ("Hi-Tech")
Jagan Tubes, Ltd. ("Jagan")
Jaguar International Limited Reg'd Office ("Jaguar")
Jindal Pipes, Ltd. ("Jindal")
Laxmi Pipes ("Laxmi")
Lloyds Group: Lloyd Metals & Engineers ("Lloyd Metals & Engineers")
Makalu Trading Ltd. ("Makalu")
Manu International ("Manu")
Metalex Pipe Ltd. ("Metalex")
Metalman Industries, Ltd. ("Metalman")
Modern India Ltd. ("Modern India")
Mukat Pipes Ltd. ("Mukat")
Nezone Tube Ltd. ("Nezone")
Pudumjee Agro Industries Ltd. ("Pudumjee Agro")
Shakti Tubes Ltd. ("Shaki")
Siddhartha Tubes Ltd. (Tubes Division) ("Siddhartha")
Steel Authority of India Ltd. ("SAI")
Stone Masters India Ltd ("Stone Masters")
Superways Enterprises Pvt. Ltd. ("Superways")
Surya Steel Pipe Ltd. ("Surya")

[11] May include seamless, light-walled rectangular, and other types of pipes and tubes beyond the scope of the antidumping duty order on India. The reported capacity data consequently are not limited to circular welded pipe and tube.

Swastik Pipes (P) Ltd. ("Swastik")
Tata Group, Steel Tubes division ("Tata")
Tech Auto Private Ltd. ("Tech Auto")
Technocraft Industries, Ltd. ("Technocraft")
Thakkarsons Auto Ancillary Ltd. ("Thakkarsons")
The Indian Hume Pipe Co., ("Indian Hume")
The Indian Seamless Metal Tubes Ltd. ("Indian Seamless")
Tube Investments of India Ltd. ("Tube Investments")
Universal Flexibiles Pvt. Ltd. ("Universal")
Uttam Galva Steels Ltd. ("Uttam")
Voltas Limited ("Voltas")
Zenith Ltd. ("Zenith")

Only one of these firms, Tata, provided the Commission with data on circular welded pipe and tube operations. Three firms, Gran Overseas, Ltd. responding for Laxmi, Uttam, and Tech Auto, provided questionnaire responses indicating that they did not produce or export to the United States circular welded pipes and tubes. According to *** (*see* table CIRCULAR-IV-2).

Table CIRCULAR-IV-7 presents information on circular welded pipe and tube operations in India, *i.e.* data on Tata's operations, and table CIRCULAR-IV-8 presents information on producers' other steel pipe and tube operations in India, i.e. data on Tata's other steel pipe operations. In its questionnaire response, Tata indicated ***. ***. ***. The WTO reports that Canada first imposed antidumping duties on carbon steel welded pipe from India on August 26, 1991,[12] and the Canadian International Trade Tribunal indicated that the order on carbon steel welded pipe from India was continued following its most recent five-year review.[13]

The Indian Management Board ("IMB") of the International Tube Association *** data on producers of circular welded pipe and tube in India. However, the IMB ***.[14] Despite the IMB's effort, the Commission has not received any additional questionnaire responses since the publication of the prehearing staff report.

**Table CIRCULAR-IV-7**
**Circular welded pipe and tube: Operations in India, 1999-2005**

* * * * * * *

Tata estimates that its production accounts for *** percent of the total production of circular welded pipe and tube in India. If this estimate were accurate, producers in India would manufacture approximately 1.2 million short tons of circular welded pipe and tube annually.

**Table CIRCULAR-IV-8**
**Welded pipe and tube: Overall pipe operations in India, 1999-2005**

* * * * * * *

[12] Domestic interested parties' response to the Notice of Institution, exh. 3.

[13] *Certain Carbon Steel Welded Pipe Originating in or Exported from Argentina, India, Romania, Chinese Taipei, Thailand, Venezuela and Brazil*, Expiry Review No. R-2000-002, July 24, 2001, found at: ftp://ftp.citt-tcce.gc.ca/doc/english/Dumping/Reviews/Orders_Reasons/rr2a002e.pdf, retrieved April 11, 2006.

[14] Letter from ***, April 19, 2006.

## The Industry in Korea

In the original investigation on certain circular welded non-alloy steel pipes and tubes from Korea (731-TA-533), five producers were identified as accounting for *** Korean production and *** Korean exports to the United States of subject product: Hyundia Pipe, Pusan, Union Steel, Korea Steel, and Dongbu. These five firms reported a combined capacity for producing 1,476,010 short tons of circular welded pipe and tube in 1991, with an increase of nearly 100,000 short tons of capacity over 1989. They produced 1.1 million short tons of subject product in 1989, 1.2 million in 1990, and 1.3 million in 1991. Exports to the United States accounted for a decreasing share of their reported production in each year, although staff in the original investigation noted reported exports were consistently lower than official Commerce statistics.

Simdex Publishing indicates that there are seven producers of steel pipe in Korea (*see* appendix E).[15] Four of these seven firms have a reported total capacity for steel pipe of 2,279,000 short tons; however, this capacity figure does not include data for SeAH, formerly Pusan Pipe, a known producer of circular welded pipe and tube in Korea.[16]

## Circular Welded Pipe Operations in Korea

The Commission sent questionnaires to 25 firms in Korea as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

Changwon Speciality Steel Co., Ltd. (subsidiary of Posco) ("Changwon")
Crystal Shipping Co., Ltd. ("Crystal")
Daeyang Shipping Co., Ltd. ("Daeyang")
Dongbu Steel Co., Ltd. ("Dongbu")
Hanil Iron & Steel Co., Ltd. ("Hanil")
Histeel Co., Ltd. ("Histeel")
Husteel Co., Ltd. (previously Korea Steel Pipe, and previously Shinho Steel) ("Husteel")
Hyundai HYSCO ("Hyundai HYSCO")
International Toh's Trading Co., Ltd. ("Toh's")
Jeil Steel Pipe Ind. Co., Ltd. ("Jeil")
Jinbang Steel ("Jinbang")
Kukje Steel Co., Ltd. ("Kukje")
Kumkang Industrial Co Ltd. ("Kumkang")
Masan Steel Tube Works Co., Ltd. ("Masan")
Miju Steel Making Co. ("Miju")
Pyung Hwa Ki Gong Co Ltd. ("Pyung Hwa")
Sam Yon Corporation ("Sam Yon")
Samsun Steel Co., Ltd. ("Samsun Steel")
Samwon Metal Co., Ltd. ("Samwon Metal")
Sang Shin Industrial Co., Ltd. ("Sang Shin")
SeAH Steel Corporation ("SeAH")

---

[15] May include seamless, light-walled rectangular, and other types of pipes and tubes beyond the scope of the antidumping duty order on Korea. The reported capacity data consequently are not limited to circular welded pipe and tube.

[16] SeAH's American importing arm submitted a U.S. importer's questionnaire response, however, the foreign mills did not submit a foreign producer response, despite repeated data requests.

Soon-Hong Trading Co., Ltd. ("Soon-Hong")
Tech Steel Co., Ltd. ("Tech")
TGS Pipe Co., Ltd. ("TGS")
Union Pipe Manufacturing Co., Ltd. ("Union Pipe")

Only one of these firms, Husteel, provided the Commission with data on its circular welded nonalloy steel pipe and tube operations. One firm, ***, provided a questionnaire response indicating that it did not produce or export to the United States circular welded nonalloy steel pipes and tubes. U.S. producer ***'s parent firm, ***, identified the foreign manufacturer Masan as having been liquidated in July 2004 following a typhoon that hit the plant; additionally, *** alleged that Masan had not been exporting to the United States since before the application of the original orders.

According to *** (*see* table CIRCULAR-IV-2), although the quantities of subject imports decreased over the period.

Table CIRCULAR-IV-9 presents information on circular welded pipe and tube operations in Korea, *i.e.* data on Husteel's operations, and table CIRCULAR-IV-10 presents information on Husteel's overall welded steel pipe and tube operations in Korea. In its questionnaire response, Husteel indicated ***. ***. The WTO reports that Canada first imposed antidumping duties on carbon steel welded pipe from Korea on June 28, 1983,[17] and the Canadian International Trade Tribunal indicated that the order on carbon steel welded pipe from Korea was removed following its most recent five-year review.[18] The Commission did not receive a response to its letter to the Korea Iron and Steel Association in relation to this review;[19] however, a review of the organization's website reveals that there are currently seven producers of subject merchandise in Korea.[20]

**Table CIRCULAR-IV-9**
**Circular welded pipe and tube: Operations in Korea, 1999-2005**

* * * * * * *

**Table CIRCULAR-IV-10**
**Welded pipe and tube: Overall pipe operations in Korea, 1999-2005**

* * * * * * *

## The Industry in Mexico

In the original investigation on certain circular welded non-alloy steel pipes and tubes from Mexico (731-TA-534), two producers were identified as accounting for an estimated *** percent of the production of subject pipes and tubes in Mexico: Hylsa and TuNa. An additional firm, which accounted for much of the remainder of production, provided data on its circular welded pipe and tube operations in

[17] Domestic interested parties' response to the Notice of Institution, exh. 3.

[18] *Carbon Steel Welded Pipe Originating in or Exported from the Republic of Korea, Expiry Review No. RR-2004-003*, June 3, 2005, found at: ftp://ftp.citt-tcce.gc.ca/doc/english/Dumping/Reviews/Orders_Reasons/rr2a002e.pdf, retrieved April 11, 2006.

[19] Letter to ***, April 24, 2006.

[20] These include, in addition to Husteel which provided a completed questionnaire, the following nonrespondent firms: Hyundai HYSCO, Dongbu, Korea Iron & Steel, SeAH, Miju, and Kumkang. *List of major producers by item*, Korea Iron and Steel Association, found at: http://www.kosa.or.kr/, retrieved May 17, 2006.

the original investigation: Industrias Monterrey ("IMSA"). These three firms had a reported production capacity of *** short tons in 1991, which had increased by approximately *** short tons between 1989 and 1991. Their production fluctuated between *** and *** short tons in those years. Their exports to the United States accounted for between a third and a fourth of their annual production between 1989 and 1991.

Simdex Publishing indicates that there are currently seven producers of steel pipe in Mexico (*see* appendix E);[21] however, it does not list the known producer Prolamsa.[22] Supplementing the Simdex data available for estimated reported production capacities with the actual production capacities for Hylsa and TuNa, six of the seven firms reportedly have a combined capacity of *** short tons of steel pipe and tube. Of the additional *** short tons capacity reported by Hylsa and TuNa for total pipe operations, *** percent, or *** short tons, relates to subject circular welded pipe and tube capacity. Adding Prolamsa's total pipe and tube capacity, the estimated total steel pipe capacity in Mexico equals *** short tons.

**Circular Welded Pipe Operations in Mexico**

The Commission sent questionnaires to 54 firms in Mexico as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

Abastecedora y Perfiles y Tubos, S.A. de C.V. ("Abastecedora")
Aceros Atsa, S.A. de C.V. ("Atsa")
Aceros Consolidada, S.A. de C.V. ("Aceros Consolidada")
Aceros Eximex, S.A. de C.V. ("Aceros Eximex")
Aceros y Metales Internacionales, S.A. de C.V. CIM ("Aceros y Metales")
Aceros y Tubos Regios, S.A. de C.V. ("Aceros y Tubos")
Aletas y Birlos, S.A. de C.V. ("Aletas y Birlos")
Almaden Comercial, S.A. de C.V. ("Almaden")
Andrew Telecommunications De Reynosa , S.A. de C.V. ("Andrew Telecom")
Arco Metal, S.A. de C.V. ("Arco Metal")
Asociacion de Importadores Y Exportadores del Estado de Jalisco ("AIEEJ")
Butler de Mexico, S.A. de C.V. ("Butler")
Comercializadora Cofli, S.A. de C.V. ("Cofli")
Conduit, S.A. de C.V. ("Conduit")
Condumex, Inc. ("Condumex")
Corporacion Grupo Geminis, S.A. de C.V. ("Geminis")
Coto y Cía., S.A. de C.V. ("Coto y Cía")
Dimeint, S.A. de C.V. ("Dimeint")
Dofasco de México S.A. de C.V. ("Dofasco")
Ecological Services De Mexico, S.A. de C.V. ("Ecological Services")
El Surtidor de Observatorio, S.A. de C.V. ("El Surtidor")
Fábrica de Tubos Bufalo S.A. ("FaTuBu")
Galvak, S.A. de C.V. (Hylsa, Tubular Division) ("Galvak")
Industrial de Perfiles y Aceros, S.A. de C.V. ("Industrial de Perfiles")
Industrial Formacero, S.A. de C.V. ("Industrial Formacero")

[21] May include seamless, light-walled rectangular, and other types of pipes and tubes beyond the scope of the antidumping duty order on Mexico. The reported capacity data consequently are not limited to circular welded pipe and tube.

[22] This producer ***.

Industrias Tugal, S.A. De C.V. ("Industrias Tugal")
Invamex, S.A. de C.V. ("Invamex")
La Metálica, S.A. de C.V. ("La Metálica")
Lamosa, S.A. de C.V. ("Lamosa")
Multipuertas Nacionales, S.A. de C.V. ("Multipuertas Nacionales")
Nacional de Acero, S.A. de C.V. ("NaSa")
Niples del Norte, S.A. de C.V. ("Niples del Norte")
Perfiles y Herrajes, L.M., S.A. de C.V. ("Perfiles y Herrajes")
Precitubo, S.A. de C.V. (Subsidiary of Condumex) ("Precitubo")
Productos Especializados de Aceros, S.A. de C.V. ("Productos Especializados")
Productos Laminados de Monterrey, S.A. de C.V. ("Prolamsa")
PYTCO, S.A. de C.V. ("PYTCO")
Regiomontana de Perfiles, S.A. de C.V. ("Regio")
Sideref, S.A. de C.V. ("Sideref")
Siemens, S.A. de C.V. ("Siemens")
Stabilus, S.A. de C.V. ("Stabilus")
Tecnica Industrial Trevino, S.A. de C.V. ("Tecnica Industrial")
Transformadora de Perfiles Metalicos, S.A. de C.V. ("Transformadorea de Perfiles")
Tuberco ("Tuberco")
Tuberia Laguna, S.A. de C.V. ("Laguna")
Tuberia Nacional, S.A. de C.V. ("TuNa")
Tubería y Flecha Mecánica Tuflemca ("Tubería y Flecha")
Tuberias Perfiles y Productos de Alambre, S.A. de C.V. ("Tuberias de Alambre")
Tuberias Procarsa S.A. de C.V. ("Tuberias Procarsa")
Tubo Decorado Monterrey, S.A. de C.V. ("Tubo Decorado")
Tubo y Postes, S.A. de C.V. ("Tubo y Postes")
Tubos de Acero de México, S.A de C.V. ("Tubos de Acero")
Tubrivalco ("Tubrivalco")
Zincacero, S.A. de C.V. ("Zincacero")

Three of these firms, Hylsa, Prolamsa, and TuNa, provided the Commission with data on their circular welded nonalloy steel pipe and tube operations. Nine firms, Arco Metal, Aceros Eximex, Dofasco, Industrias Tugal, NaSa, Perfiles y Herrajes, Productos Especializados, Regio, and Sideref, provided questionnaire responses indicating that they did not produce or export to the United States circular welded nonalloy steel pipes and tubes. ***. According to *** (*see* table CIRCULAR-IV-2).

Table CIRCULAR-IV-11 presents information on circular welded non-alloy pipe operations in Mexico, and table CIRCULAR-IV-12 presents information on producers' other steel pipe and tube operations in Mexico. Prolamsa produced ***. TuNa produced ***. TuNa stated that ***. Hylsa produced ***. Hylsa indicated that ***. ***.

The Mexican Chamber of Steel and Iron Industries ("CANACERO") provided some of the information the Commission requested in regards to producers of circular welded pipe and tube in Mexico.[23] As a result of CANACERO's follow-up, the Commission received a "no" questionnaire response from Laguna, a large producer of steel pipes in Mexico otherwise identified as a potential producer of subject material.

[23] Letter from ***, May 9, 2006.

**Table CIRCULAR-IV-11**
**Circular welded pipe and tube: Operations in Mexico, 1999-2005**

* * * * * * *

**Table CIRCULAR-IV-12**
**Welded pipe and tube: Overall pipe operations in Mexico, 1999-2005**

* * * * * * *

## The Industry in Taiwan

In the original investigation on certain welded carbon steel pipes and tubes from Taiwan (731-TA-132), which applies to small diameter material less than 4.5 inches in outer diameter, 13 producers of small diameter circular welded pipe and tube were believed to exist. Kao Hsing, Yieh Hsing (currently Yieh Psing), and Tai Feng accounted for *** percent of the estimated capacity for small diameter circular pipe in 1983. Data submitted by the Taiwan Steel and Iron Industries Association indicated that production capacity increased from 467,000 short tons in 1981 to 518,000 short tons in 1983, with production increasing faster, to achieve a 72 percent capacity utilization rate in 1982.

In the original investigation on certain circular welded non-alloy steel pipes and tubes from Taiwan (731-TA-536), which applies to large diameter material between 4.5 inches and 16 inches in outer diameter, five firms were identified as producers of subject material: Kao Hsing, Yieh Hsing (currently Yieh Psing), Yieh Loong, Far East, and Vulcan. Three of these firms provided data in the large diameter original investigation. They had a combined production capacity of *** short tons in 1991, and produced *** short tons, of which *** percent was exported to the United States.

Simdex Publishing indicates that there are currently five producers of steel pipe in Taiwan (*see* appendix E);[24] however, it lists Yieh Hsing, which currently operates under the name Yieh Psing. The total steel pipe production capacity listed for three of these five producers is 538,000 short tons and does not include data on Kao Hsing.

## Circular Welded Pipe Operations in Taiwan

The Commission sent questionnaires to 11 firms in Taiwan as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

Chung Hung Steel (formerly Yieh Loong Co., Ltd.) ("Chung Hung")
Everlast Industrial Corp. ("Everlast")
Fan Lin Enterprise Co., Ltd. ("Fan Lin")
Far East Machinery Co., Ltd. ("Far East")
H-H Fastener Company ("H-H")
Kao Hsing Chang Iron and Steel Corp. ("Kao Hsing")
Lung Yaow Steel Ltd. ("Lung Yaow")
Mayer Steel Pipe Corp. ("Mayer")
Sportek Fitness Corporation ("Sportek")

[24] May include seamless, light-walled rectangular, and other types of pipes and tubes beyond the scope of the antidumping duty order on Taiwan. The reported capacity data consequently are not limited to circular welded pipe and tube.

Wanchi Steel Industrial Co., Ltd. ("Wanchi")
Yieh Hsing Enterprise Co., Ltd. (formerly Yieh Phui Enterprise Co., Ltd.) ("Yieh Hsing")

None of these firms provided data on their circular welded pipe and tube operations. Two firms, ***, provided a questionnaire response indicating that they did not produce or export to the United States either small or large diameter circular welded non-alloy steel pipes and tubes. According to *** (*see* table CIRCULAR-IV-2).

The Taiwan Steel & Iron Industries Association ("TSIIA") declined to provide the Commission with data on producers of circular welded pipe and tube in Taiwan. TSIIA did, however, list all known producers of the circular welded and LWR pipe and tube that belong to its association and forwarded the Commission's inquiry to these firms, instructing them to provide the Commission with completed questionnaire responses.[25] None of the contacted firms, however, provided the Commission with a completed questionnaire response. TSIIA indicated ***.[26]

## The Industry in Thailand

In the original investigation on certain welded carbon steel pipes and tubes from Thailand (731-TA-252), five producers were identified as having the necessary economies of scale to operate a profitable export business: First Steel Industry ("First Industry"), Saha Thai, Siam Steel, Thai Steel, and Thai Union. These five firms had a production capacity of 322,994 short tons in 1984, which had increased by approximately 50,000 short tons over 1982. Their production increased from 331,131 short tons in 1982 to 343,918 short tons in 1984. Their exports to the United States were minimal, until the first nine months of 1985, when they increased to 38,339 short tons or approximately 20 percent of their production in that period.

Simdex Publishing indicates that there are currently three producers of steel pipe in Thailand (*see* appendix E);[27] however, it does not list the known producer Saha, also an exporter to the United States.[28] Supplementing the Simdex data available for estimated reported production capacities with the actual production capacities for Saha, two Thai firms have a combined capacity of *** short tons of steel pipe and tube.

## Circular Welded Pipe Operations in Thailand

The Commission sent questionnaires to four firms in Thailand as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

Samchai Steel Industries, PCL. ("Samchai")
Siam Matsushita Steel Co., Ltd. ("Siam Matsushita")
Saha Thai Steel Pipe Co., Ltd. ("Saha Thai")
Thai Union Steel Co., Ltd. ("Thai Steel")

---

[25] E-mail response from ***, May 12, 2006.

[26] E-mail response from ***, May 12, 2006.

[27] May include seamless, light-walled rectangular, and other types of pipes and tubes beyond the scope of the antidumping duty order on Thailand. The reported capacity data consequently are not limited to circular welded pipe and tube.

[28] This is the only Thai producer to have provided a questionnaire response to the Commission, and ***.

One of these firms, Saha Thai, provided the Commission with data on its circular welded non-alloy steel pipe and tube operations. No firm provided a questionnaire response indicating that it did not produce or export to the United States circular welded non-alloy steel pipes and tubes. According to *** (*see* table CIRCULAR-IV-2), although in 2005 *** because Saha Thai received a *de minimis* margin in an administrative review on October 20, 2004 (*see* table CIRCULAR-I-2).

Table CIRCULAR-IV-13 presents information on welded carbon steel pipe and tube from Thailand, *i.e.* on Saha Thai's operations, and table CIRCULAR IV-14 presents information on producers' other pipe operations in Thailand, *i.e.* on Saha Thai's operations. Saha Thai produced ***. Saha Thai indicated ***.

***. The WTO reports that Australia first imposed antidumping duties on galvanized steel pipe from Thailand on February 2, 2000,[29] and the Australian Customs Service indicated that the order on galvanized steel pipe from Thailand was continued following its most recent five-year review.[30] The WTO reports that Canada first imposed antidumping duties on carbon steel welded pipe from Thailand on August 26, 1991,[31] and the Canadian International Trade Tribunal indicated that the order on carbon steel welded pipe from Thailand was continued following its most recent five-year review.[32] The WTO reports that the European Union first imposed antidumping duties on welded tubes and pipes of iron or non-alloy steel from Thailand on September 9, 2002.[33]

The Iron and Steel Institute of Thailand ("ISIT") provided the Commission with data on producers of circular welded pipe and tube in Thailand.[34] According to the ISIT estimates, there are 20 firms capable of producing welded steel pipe and tube. From data submitted by ISIT, 14 of these 20 firms are believed to produce product subject to these reviews. These 14 producers had an overall welded steel pipe and tube capacity of 1.8 million short tons in 2005, noting that a capacity allocation based on product mix for circular welded pipe and tube in Thailand is not available using these data.[35] These same 14 producers apparently produced approximately 977,000 short tons of subject circular welded pipe and tube in 2005.[36] Twelve of the 14 producers identified as producing product subject to these reviews also produced non-circular pipe and tube, while 5 of the 14 producers identified also produced mechanical pipe and tube.[37] An estimated 54 percent of these producers' overall pipe capacity is dedicated to the production of subject circular welded pipe and tube; the remaining 46 percent, which amounts to approximately 847,000 short tons, is either dedicated to nonsubject production or to idle capacity. ISIT estimates that circular welded pipe and tube in Thailand is used primarily in the construction industry

---

[29] Domestic interested parties' response to the Notice of Institution, exh. 3.

[30] *Certain Hot Dipped Galvanised Welded Circular Hollow Section Steel Pipe Exported from Thailand: Finding in relation to continuation inquiry*, Australian Customs Dumping Notice No. 2005/10, February 16, 2005, found at: http://www.customs.gov.au/webdata/resources/notices/ACDN0510.pdf, retrieved April 11, 2006.

[31] Domestic interested parties' response to the Notice of Institution, exh. 3.

[32] *Certain Carbon Steel Welded Pipe Originating in or Exported from Argentina, India, Romania, Chinese Taipei, Thailand, Venezuela and Brazil, Expiry Review No. R-2000-002*, July 24, 2001, found at: ftp://ftp.citt-tcce.gc.ca/doc/english/Dumping/Reviews/Orders_Reasons/rr2a002e.pdf, retrieved April 11, 2006.

[33] Domestic interested parties' response to the Notice of Institution, exh. 3. This order has not yet had its first review.

[34] Letter from ***, May 10, 2006.

[35] This capacity figure is for the overall welded steel pipe operations of these *** firms, and does not represent a capacity allocated based on product mix to just circular welded pipe and tube as collected in questionnaire responses.

[36] Staff substituted ISIT's estimated production figure for Saha Thai with the data that that firm submitted in response to the Commission's questionnaire.

[37] ISIT was not able to provide data on these firms' nonsubject pipe and tube production.

***, but also in the machinery, automotive, and other industries ***. Since 1999, ISIT characterized the circular welded pipe and tube industry as: ***.[38]

The Customs Department of the Kingdom of Thailand reports that 110,052 short tons of circular welded non-alloy steel pipe or tube were exported in 2005, which is 11.3 percent of the estimated production of circular welded pipe and tube reported by the ISIT,[39] and approximately 72 percent of these exports were to the United States, which ***.[40]

**Table CIRCULAR-IV-13**
**Circular welded pipe and tube: Operations in Thailand, 1999-2005**

* * * * * * *

**Table CIRCULAR-IV-14**
**Welded pipe and tube: Overall pipe operations in Thailand, 1999-2005**

* * * * * * *

## The Industry in Turkey

In the original countervailing duty investigation on certain welded carbon steel pipes and tubes from Turkey (701-TA-253) and the original antidumping duty investigation on certain welded carbon steel pipes and tubes from Turkey (731-TA-132), four producers of circular welded pipe and tube were identified: Borusan Holding (currently Borusan Mannesmann), Mannesmann-Sumerbank Boru Endustrisi, Erkoru Profile Sanayi ve Ticaret, and Umran. These firms reported a combined capacity of *** short tons in 1984 for the production of either circular welded pipe and tube or line pipe. The majority of their operations at the time was in standard circular welded pipe and tube, however, their production of line pipe increased over the period covered by the original investigations. Their exports to the United States were minimal until January-September 1985 when they increased to *** short tons.

Simdex Publishing indicates that there are currently eight producers of steel pipe in Turkey (*see* appendix E);[41] however, it does not list Umran, which still has steel pipe operations. The total steel pipe production capacity listed for seven of these eight producers is 1,479,000 short tons.

## Circular Welded Pipe Operations in Turkey

The Commission sent questionnaires to11 firms in Turkey as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

---

[38] Letter from ***, May 10, 2006.

[39] The Customs Department of the Kingdom of Thailand maintains only one statistical reporting number on the country's exports of circular welded pipe and tube, 7306.30.0006. Limiting exports to those with AUVs of less than 1,000 dollars (exports most likely to be the subject merchandise rather than mechanical or pressure tubing), Thailand's exports account for 9.7 percent of that country's estimated production.

[40] Limiting exports to those with AUVs of less than 1,000 dollars (exports most likely to be the subject merchandise rather than mechanical or pressure tubing), Thailand's exports to the United States account for approximately 84 percent of Thailand's exports in 2005.

[41] May include seamless, light-walled rectangular, and other types of pipes and tubes beyond the scope of the antidumping and countervailing duty orders on Turkey. The reported capacity data consequently are not limited to circular welded pipe and tube.

Borusan Mannesmann Boru Sanayi ve Ticaret , A.S. ("Borusan")
Cayirova Boru Sanayii ve Ticaret, A.S. (member of Yucel Boru Group) ("Cayirova")
Erbosan Erciyas Boru Sanayii ve Ticaret, A.S. ("Erbosan")
Güven Boru Profil Sanayi ve Ticaret, Ltd. ("Güven")
Kalibre Boru Sanayi ve Ticaret, A.S. ("Kalibre")
MMZ Onur Boru Profil üretim San. Ve Tic., A.S. ("MMZ")
Noksel Celik Boru Sanayi, Steel Pipe Co., A.S. ("Noksel")
Özborsan Boru Sanayi, A.S. ("Özborsan")
Ozmak Makina ve Elektrik Sanayi, A.S. ("Ozmak")
Umran Celik Boru Sanayii, A.S. ("Umran")
Yasan Yassi Metal San. Tic., A.S. ("Yasan Yassi")

Four of these firms, Borusan, Erbosan, Güven, and Noksel, provided the Commission with data on their welded carbon steel pipe and tube operations. One firm, ***, provided a questionnaire response indicating that it did not produce or export to the United States circular welded non-alloy steel pipes and tubes. According to *** (*see* table CIRCULAR-IV-2), although in 2005 ***.

Table CIRCULAR-IV-15 presents information on welded carbon steel pipe and tube from Turkey, and table CIRCULAR-IV-16 presents information on producers' other pipe and tube operations in Turkey. Reporting producers in Turkey manufactured ***.

Borusan, ***, indicated that ***. Erbosan indicated that ***. Güven, ***, indicated that ***. Noksel, ***, indicated that ***. ***. The WTO reports that the European Union first imposed antidumping duties on welded tubes and pipes of iron or non-alloy steel from Turkey on September 9, 2002.[42]

[42] Domestic interested parties' response to the Notice of Institution, exh. 3. This order has not yet had its first review.

**Table CIRCULAR-IV-15**
**Circular welded pipe and tube: Operations in Turkey, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | |
| Capacity | 416 | 416 | 488 | 528 | 528 | 598 | 696 |
| Production | 294 | 306 | 305 | 317 | 328 | 328 | 380 |
| End-of-period inventories | 8 | 26 | 28 | 24 | 24 | 31 | 26 |
| Shipments: | | | | | | | |
| Internal consumption/transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Home market | 173 | 187 | 165 | 191 | 207 | 217 | 275 |
| Exports to-- | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| European Union | 57 | 56 | 52 | 36 | 38 | 48 | 50 |
| China | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Asia | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | 116 | 134 | 141 | 131 | 120 | 104 | 110 |
| Total shipments | 289 | 321 | 307 | 322 | 326 | 321 | 384 |
| | **Ratios and shares (*percent*)** | | | | | | |
| Capacity utilization | 70.7 | 73.5 | 62.5 | 60.0 | 62.1 | 54.8 | 54.5 |
| Inventories/production | 2.8 | 8.6 | 9.2 | 7.4 | 7.2 | 9.4 | 6.9 |
| Inventories/shipments | 2.8 | 8.2 | 9.1 | 7.3 | 7.2 | 9.7 | 6.8 |
| Share of total shipment quantity: | | | | | | | |
| Internal consumption/transfers | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Home market | 59.8 | 58.3 | 53.9 | 59.2 | 63.3 | 67.6 | 71.4 |
| Exports to-- | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| European Union | 19.8 | 17.6 | 16.9 | 11.1 | 11.5 | 15.0 | 12.9 |
| China | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Asia | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | 40.2 | 41.7 | 46.1 | 40.8 | 36.7 | 32.4 | 28.6 |

Table continued on next page. Footnotes and notes at the end of the table.

**Table CIRCULAR-IV-15--*Continued***
**Circular welded pipe and tube: Operations in Turkey, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Value (*1,000 dollars*)** | | | | | | |
| Commercial shipments: | | | | | | | |
| Home market | 82,131 | 90,864 | 78,134 | 89,524 | 99,343 | 126,968 | 141,425 |
| Exports to-- | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| European Union | 26,264 | 26,436 | 24,007 | 15,447 | 17,774 | 28,494 | 28,925 |
| China | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Asia | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | 54,214 | 63,800 | 64,459 | 57,845 | 56,223 | 65,298 | 66,760 |
| Total commercial shipments | 136,345 | 154,664 | 142,593 | 147,369 | 155,566 | 192,266 | 208,185 |
| | **Unit value (*per short ton*)** | | | | | | |
| Commercial shipments: | | | | | | | |
| Home market | $475.84 | $485.77 | $472.16 | $469.80 | $480.94 | $585.75 | $515.19 |
| Exports to-- | | | | | | | |
| United States | *** | *** | *** | *** | *** | *** | *** |
| European Union | 459.40 | 469.31 | 463.46 | 432.57 | 473.59 | 592.14 | 583.40 |
| China | ([3]) | ([3]) | ([3]) | ([3]) | ([3]) | ([3]) | ([3]) |
| Other Asia | *** | *** | *** | *** | *** | *** | *** |
| All other markets | *** | *** | *** | *** | *** | *** | *** |
| Total exports | 466.72 | 476.76 | 455.46 | 440.22 | 466.66 | 627.40 | 606.68 |
| Total commercial shipments | 472.17 | 482.01 | 464.47 | 457.74 | 475.70 | 599.25 | 541.35 |

[1] Fewer than 500 short tons. {*Instances of this footnote were removed from the table due to confidentiality treatment*}.
[3] Less than 0.05 percent. {*Instances of this footnote were removed from the table due to confidentiality treatment*}.
[3] Not applicable.
[4] Not available due to the units requested in the Commission's questionnaires. {*Instances of this footnote were removed from the table due to confidentiality treatment*}.

Source: Compiled from data submitted in response to Commission questionnaires.

**Table CIRCULAR-IV-16**
**Welded pipe and tube: Overall pipe operations in Turkey, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (*1,000 short tons*) | | | | | | |
| Total production capacity | 693 | 693 | 847 | 887 | 887 | 957 | 1,168 |
| Production of: | | | | | | | |
| LWR pipe and tube | *** | *** | *** | *** | *** | *** | *** |
| Circular pipe and tube: | | | | | | | |
| greater than 16" O. D. | *** | *** | *** | *** | *** | *** | *** |
| between 4.5" and 16" O.D. | 52 | 54 | 55 | 54 | 57 | 58 | 64 |
| less than 4.5" O.D. | 243 | 252 | 247 | 258 | 266 | 258 | 300 |
| Line pipe: | | | | | | | |
| single stencil | *** | *** | *** | *** | *** | *** | *** |
| multiple stencil | *** | *** | *** | *** | *** | *** | *** |
| OCTG | *** | *** | *** | *** | *** | *** | *** |
| Other | *** | *** | *** | *** | *** | *** | *** |
| Total production | 470 | 502 | 524 | 571 | 639 | 688 | 767 |
| | Ratio (*percent*) | | | | | | |
| Capacity utilization, all pipe | 67.9 | 72.4 | 61.8 | 64.4 | 72.0 | 71.9 | 65.7 |
| Capacity utilization, circular welded pipe | 70.7 | 73.5 | 62.5 | 60.0 | 62.1 | 54.8 | 54.5 |

Source: Compiled from data submitted in response to Commission questionnaires.

## GLOBAL MARKET

Published data, including prices and market analysis, are available from certain reputable sources, although such data in certain cases are available by subscription only and cannot be reproduced without permission from their publisher. These data are distinct from the data obtained by the Commission, which are collected directly from U.S. producers and U.S. importers according to specific product definitions.

In general, most published data on welded pipes and tubes distinguish between OCTG and line pipe, on the one hand, and other forms of welded pipe (including standard pipe and various forms of structural and mechanical pipe, such as light-walled and heavy-walled hollow structural sections). That is, in terms of demand factors, most analysis focuses on energy applications and structural applications, very broadly defined. In addition, published analysis of supply factors are often aggregated at an even higher level, combining all forms of welded pipe, reflecting in part a commonality among raw materials (i.e., hot-rolled sheet and strip and, for thicker pipes and tubes, steel plate) and some overlap of production facilities and methods. Accordingly, for the purposes of this global market review, information and data are provided according to their availability, and include both circular welded pipe and tube, LWR pipe and tube, and in certain instances nonsubject forms of welded pipe.

### Supply

Although figures for global consumption of welded tubular products are generally not published, the International Iron and Steel Institute (IISI) does publish data on the global production of welded pipe

and tube.[44] As illustrated in tables CIRCULAR-IV-17 and 18, most of the growth in welded pipe production has taken place in China. Production in the European Union, North America, and Asia (excluding China and India), in contrast, has declined overall between 2000 and 2004.[45]

**Table CIRCULAR-IV-17**
**Welded tubular products: Global production, by region, 1995-99**

| Region | Calendar year | | | | |
|---|---|---|---|---|---|
| | 1995 | 1996 | 1997 | 1998 | 1999 |
| | Quantity (*1,000 short tons*) | | | | |
| North America | 5,814 | 6,591 | 7,587 | 6,972 | 6,748 |
| European Union (15) | 9,808 | 9,478 | 10,408 | 10,535 | 10,445 |
| Asia, excluding China[1] | 15,301 | 16,132 | 17,661 | 14,786 | 14,897 |
| China | 5,465 | 4,740 | 6,325 | 4,967 | 5,495 |
| Other[2] | 7,842 | 7,364 | 9,397 | 8,251 | 7,088 |
| Total | 44,230 | 44,305 | 51,378 | 45,511 | 44,673 |

[1] Between 1995 and 1999, welded tube production in Korea decreased by 7.8 percent from 4,061 thousand short tons to 3,745 thousand short tons; welded tube production in Thailand decreased by 52.6 percent from 1,488 thousand short tons to 705 thousand short tons; and welded tube production in Taiwan increased by 18.0 percent from 1,058 thousand short tons to 1,249 thousand short tons. Additionally, data for Asia excluding China are understated as data operations from India were not included in this compilation.

[2] Between 1995 and 1999, welded tube production in Brazil decreased by 6.1 percent from 933 thousand short tons to 876 thousand short tons; welded tube production in Mexico increased by 47.9 percent from 389 thousand short tons to 575 thousand short tons; and welded tube production in Turkey increased by 56.3 percent from 1,137 thousand short tons to 2,059 thousand short tons.

Note.–The data presented in this table are for all welded tubes, and so are substantially overstated with respect to the welded pipe and tube subject to these reviews.

Source: International Iron and Steel Institute, *Steel Statistical Yearbook 2005*.

[44] International Iron and Steel Institute, *Steel Statistical Yearbook 2005*. Global and regional production data as published by IISI refer to welded tube, and are therefore substantially broader than the subject merchandise, including, for example, line pipe and OCTG. As such, global and regional production data represent general trends and are for illustrative purposes only.

[45] Please note that India was not included for the whole period and the data for many countries, including Canada, South America, Turkey and others, are not included in the total for certain years during 2000-04.

**Table CIRCULAR-IV-18**
**Welded tubular products: Global production, by region, 2000-04**

| Region | Calendar year | | | | |
|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| | Quantity (*1,000 short tons*) | | | | |
| North America | 6,914 | 4,001 | 6,340 | 6,196 | 4,826 |
| European Union (15) | 10,059 | 10,567 | 10,364 | 9,916 | 10,049 |
| Asia, excluding China[1] | 15,463 | 14,644 | 14,176 | 14,315 | 14,964 |
| China | 5,754 | 7,059 | 7,729 | 11,363 | 13,391 |
| Other[2] | 5,422 | 6,414 | 4,446 | 5,217 | 2,029 |
| Total | 43,612 | 42,685 | 43,055 | 47,007 | 45,259 |

[1] Between 2000 and 2004, welded tube production in Korea increased by 13 percent from 4,159 thousand short tons to 4,701 thousand short tons, while welded tube production in Taiwan increased by 6 percent from 1,136 thousand short tons to 1,204 thousand short tons.

[2] Between 2000 and 2004, welded tube production in Mexico decreased by 2.9 percent from 561 thousand short tons to 545 thousand short tons.

Note.–The data presented in this table are for all welded tubes, and so are substantially overstated with respect to the welded pipe and tube subject to these reviews. In addition, the relatively low volume beginning in 2000 reflects the absence of reported Argentine and Turkish production beginning in that year. Subsequently, reporting of Brazilian and Thai production ceased after 2001. Finally, Canadian production was not reported in 2001.

Source: International Iron and Steel Institute, *Steel Statistical Yearbook 2005*.

One reputable international metal research source, Metal Bulletin Research ("MBR"), reports that, prior to 1997, China[46] had only a modest production capacity for welded pipe and tube. However, since 2003, Chinese production of welded steel pipes and tubes has increased sharply, accounting for almost 30 percent of the world's total production of welded tube and pipe in 2004. MBR does not expected the growth of Chinese tube and pipe production to slow substantially in 2006-07.[47] MBR also reports that China has only recently begun focusing on exporting welded tubes and pipes, initially to the United States and South East Asian countries as its target markets.

MBR notes that India's companies expected sustained growth of domestic shipments in the next five to seven years, owing mainly to the high demand for tubular products from domestic oil and natural gas industries. Much of this growth, however, is for large line or water pipes that are outside of the scope of these reviews.[48]

According to MBR, 2005 was a mixed year for the Korean pipe and tube industry with higher sales but lower profits because of competition from China. In 2005, Korea's exports to China fell by over 30 percent while China has successfully penetrated the Korean tube and pipe market, sharply increasing its exports by 86 percent. MBR expects the Korean tube and pipe industry to improve its performance in 2006 and that recent global price increases will allow Korean producers to raise prices to recover past losses. In addition, MBR notes that Korean producers now source substrate coil from China to reduce costs and to be price-competitive with Chinese products.

[46] At present, China is the world's largest welded tube and pipe producer. International Iron and Steel Institute, *Steel Statistical Yearbook 2005*, pp.70-71.

[47] MBR, *Welded Steel Tube & Pipe Monthly*, March 2006, p. 5.

[48] *Ibid.*

## Demand

Because standard pipe is a basic commodity used in the construction industry, demand for the product depends on the general performance of the economy. MBR maintains that, with the Chinese economy continuously expanding and the EU economic performance improving, global demand for tubes and pipes is likely to increase.

According to MBR, the Korean pipe and tube industry has increasingly relied on the United States as a key market for its tubes and pipes. In 2005, the United States purchased nearly 44 percent of Korean production of welded carbon steel tubes and pipes. Korea also exports to the two growing markets of Japan and Indonesia.

In the United States, MBR expects robust business construction activities in the Gulf Coast, Florida, and the Southwest, to keep demand strong. Another respected authority in the tube and pipe information business, ***, expects the demand for welded standard pipe in the United States in 2006 to increase by approximately 2 percent over the 2005 level.[49]

## Prices

U.S. domestic producers, foreign producers, and importers were all asked to compare market prices for circular welded pipe and tube in the United States and non-U.S. markets if known, and to provide specific information as to time periods and regions for any comparisons. All six of the 19 U.S. producers that responded to the question, indicated that the price in the United States is higher than in other markets. One firm stated that the U.S. price is higher than the prices in Asia, but comparable to prices in Europe. One firm stated the price in the United States was comparable to the price in Canada. No U.S. producers provided detailed comparisons of prices in the United States with prices in other markets. Among foreign producers, one firm stated that the price in the United States is higher than in other markets and one stated that the price is about the same around the world. Among importers, two stated that the price in the United States is higher. One firm that is both a foreign producer and an importer stated that the U.S. price is about the same as the price in Mexico, which is higher than in Asian markets.

U.S. domestic producers, foreign producers, and importers also were asked to compare market prices for LWR pipe and tube in the United States and non-U.S. markets if known, and to provide specific information as to time periods and regions for any comparisons. Four of the 13 U.S. producers reported that prices in the United States are higher, and one reported that prices in other markets are higher. None of these firms provided detailed information on pricing in other markets. Neither of the two responding importers of nonsubject LWR pipe and tube were able to compare U.S. market prices with prices in other markets. The one foreign producer based in Argentina that provided a questionnaire response was also unable to make such a comparison. This firm does not export to the United States.

There are limited sources of published price data for circular welded pipe and tube and for LWR pipe and tube. MBR provides global prices of hollow structural sections, a category that may include both light-walled and heavy-walled rectangular pipe (table CIRCULAR-IV-19 and figure CIRCULAR-IV-3). These data, however, are collected based on different product categories, timing, and commercial considerations, and so are distinct from the pricing data presented in Parts CIRCULAR-V and LWR-V of this report, which are collected directly from U.S. producers and U.S. importers according to precise product definitions.

---

[49] Staff telephone interview, *** March 28, 2006. *** notes, however, that most large tube and pipe companies that produce welded pipe manufacture OCTG and other tubular products. With oil prices at historic highs, these companies have shifted their production to OCTG or other products with relatively higher profit margins. *Ibid.*

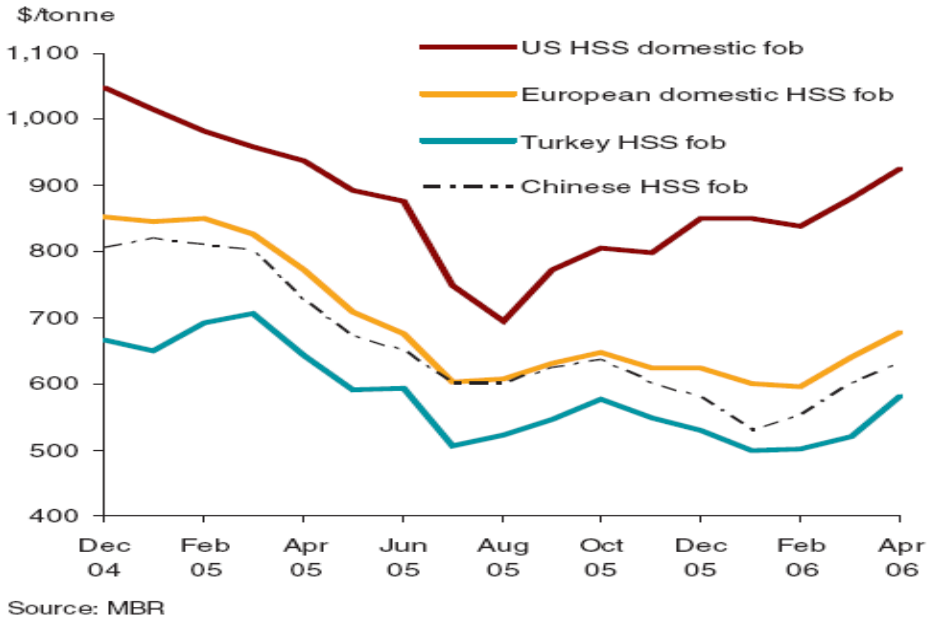
**Table CIRCULAR-IV-19**
**Welded tubular products: Global prices, December 2005 - April 2006**

| Period | Hollow structural sections (*per metric ton*) | | | |
|---|---|---|---|---|
| | United States | European Union | Turkey | Asia region |
| December 2005 | $850 | $615 | $520 | $580 |
| January 2006 | 854 | 600 | 500 | 530 |
| February | 838 | 595 | 500 | 550 |
| March | 880 | 639 | 520 | 600 |
| April | 926 | 678 | 580 | 620 |
| May | 926 | 716 | 570 | 620 |
| Forecast, second quarter | 930 | 728 | 601 | 640 |

Note.–Hollow structural sections are defined as 2" x 1/8" (USA) or 50mm x 3mm (includes EU, Turkey, and Asia region), and may include both LWR and HWR rectangular pipe and tube.

Source: Metal Bulletin Research, *Welded Steel Tube and Pipe Monthly*, Issues 23-28 (January 2006 - May 2006).

**Figure CIRCULAR-IV-3**
**Global historical HSS prices**




MBR suggests that because China's economic growth remains robust (at 9.9 percent in 2005) and several industrialized countries have recently experienced economic recovery, prices of welded pipes and tubes have started to increase, especially for those products that are made from hot-rolled coil.
While price increases have spread globally, MBR observes that there are still some concerns in the United States with respect to low-priced imports from China. It further reports that the price of welded tubes and pipes has already begun to increase in China.

As stated previously, in Korea, MBR reports that the local industry in the past has found it difficult to pass on to purchasers the increasing costs of energy and raw materials. That was because of price competition from Chinese products, both in Korea and in China's targeted markets, namely, the United States and South East Asia. According to MBR, Korean producers, encouraged by the global rising price of welded tubes and pipes, are likely to raise their prices to recover past losses.

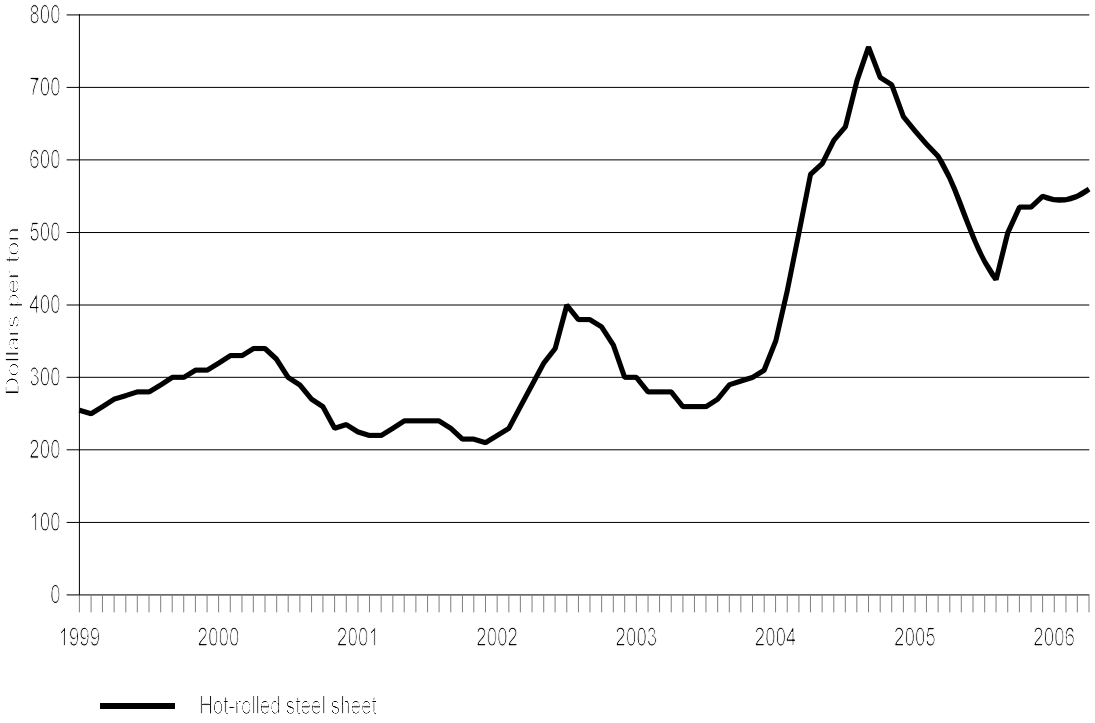
# PART CIRCULAR-V: PRICING AND RELATED INFORMATION

## FACTORS AFFECTING PRICING

### Raw Material Costs

The primary raw material used in the production of circular welded pipe and tube is hot-rolled steel. Prices for hot-rolled steel fluctuated during much of the 1999-2005 period as shown in figure CIRCULAR-V-1 below. Raw material costs account for a substantial share of the cost of producing circular welded steel pipe and tube. During 1999-2005, these costs ranged from 67 to 75 percent of the cost of goods sold. The chief raw material inputs are hot-rolled and cold-rolled sheet; galvanized sheet is used occasionally. Spot prices for hot-rolled steel are shown on a monthly basis in figure CIRCULAR-V-1 for January 1999-April 2005.

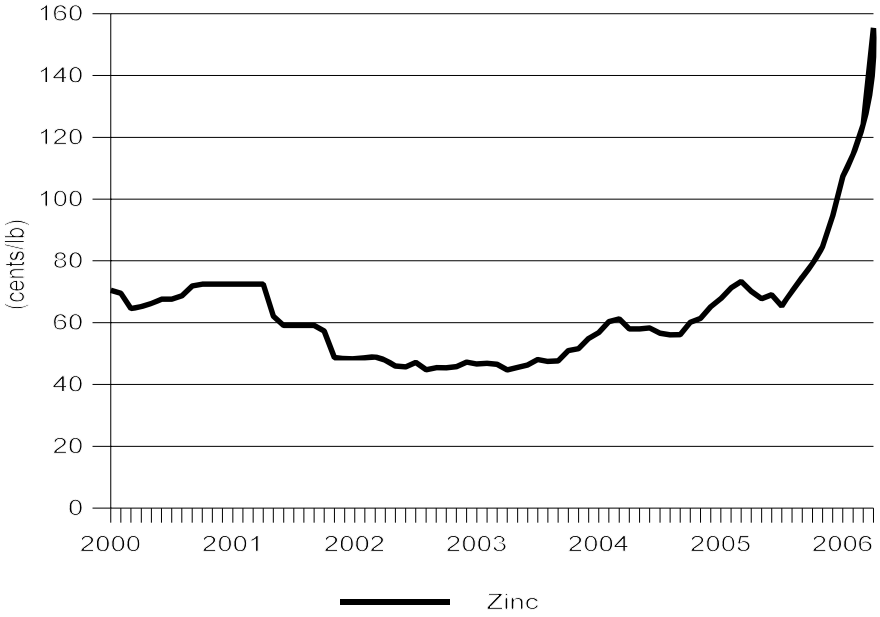
**Figure CIRCULAR-V-1**
**Hot-rolled steel sheet: Monthly prices, January 1999-April 2006**




Source: Purchasing Magazine Transaction Price Report.

Another raw material used in the production of galvanized circular welded pipe and tube is zinc. As shown in figure CIRCULAR-V-2, the price of zinc generally declined from 2000 through 2003; prices then increased, rising by 89 percent between January 2004 and January 2006 and reaching $1.55 per pound in April 2006.

**Figure CIRCULAR-V-2**
**Zinc: Monthly prices, January 2000-April 2006**




Note.--Zinc is only used in the production of circular pipe and tube that are galvanized. Ten out of 15 firms reporting pricing data in 2005 indicated that they produce circular welded pipe and tube which is galvanized (pricing items 4 and 7).

Source: American Metal Market, http://www.amm.com/priorprice/matprice.asp, retrieved March 21, 2006

## Transportation Costs to the U.S. Market

Transportation costs of circular welded pipe and tube shipped to the United States from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey averaged 11.0 percent, 14.6 percent, 9.5 percent, 2.8 percent, 9.7 percent, 15.7 percent, and 9.8 percent of the respective customs values of imports from these countries during 2005. These estimates are derived from official import data.[1]

## Inland Transportation Costs

U.S. inland transportation costs for shipments of circular welded pipe and tube generally account for a small to moderate share of the delivered price of these products.[2] For the U.S. producers that provided meaningful estimates, reported costs ranged from 1 to 12 percent of the delivered price. Estimates in the range of 5 to 6 percent were most common for producers. For importers from the subject countries that provided estimates, the costs ranged from 1 percent to as much as 20 percent of the delivered price.

---

[1] The estimated cost was obtained by subtracting the customs value from the c.i.f. value of the imports for 2005 and then dividing by the customs value.

[2] One producer and three importers reported that they do not have inland shipping costs.

Producers and importers were also asked to estimate the percentage of their sales that occurred within 100 miles of their storage or production facility, between 101 and 1,000 miles, and over 1,000 miles. Most U.S. producers reported that the majority of their shipments are made between 101 and 1,000 miles while most importers reported that the majority of their shipments were within 100 miles of their storage facility. Of the 19 responding producers, just six reported that 50 percent or more of their shipments were within 100 miles of their storage or production facility. However, 13 of 22 responding importers reported that 50 percent or more of their shipments were within 100 miles of their storage facility.

## Safeguard Measures on Standard Pipe

During the section 421 investigation in 2005 relating to circular welded non-alloy pipe from China, U.S. producers and importers were asked to discuss the effects of the imposition, modification and termination of global safeguard measures that were in effect from March 2002 through December 2003.[3] These global safeguard measures initially resulted in a 15 percent tariff on pipe and tube and a 30 percent tariff on flat-rolled steel. Responses from questionnaires were varied, with no general consensus among producers and importers concerning the effects of the safeguard measures. In the case of the imposition of tariffs on the pipe and tube, some U.S. producers reported that the tariff reduced imports, but that imports increased after the tariffs were terminated. In the case of importers, many of the firms reported that the tariffs on pipe and tube had little effect on their operations. In the case of the tariffs on flat-rolled steel, U.S. producers frequently reported that the result was an increase in steel prices. However, the majority of importers of pipe and tube reported that the tariffs on steel had no effect on their business.

## Exchange Rates

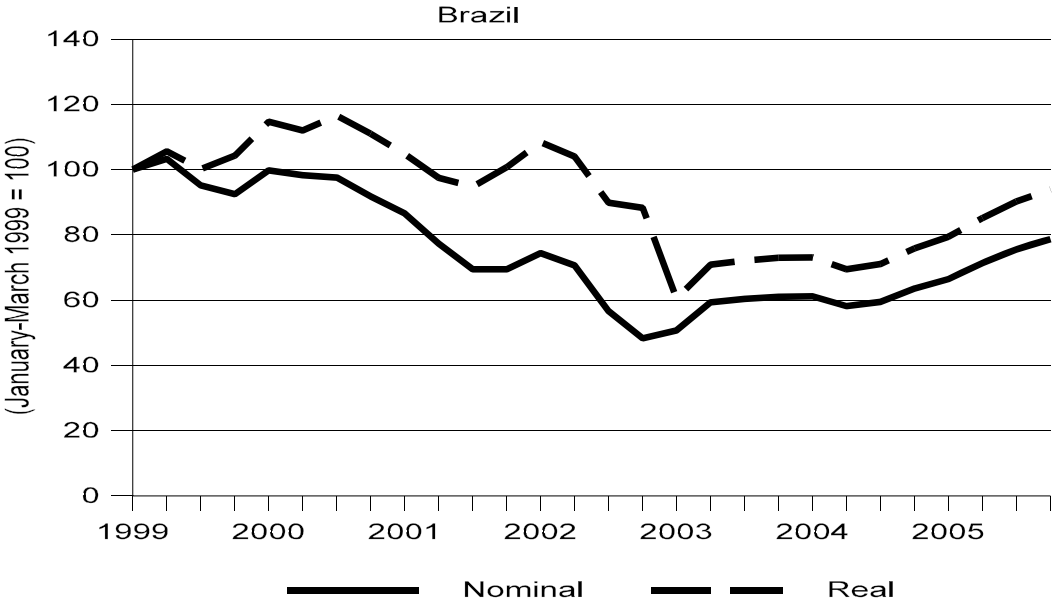
Nominal and real exchange rates for the currencies of Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey in relation to the U.S. dollar are presented in figure CIRCULAR-V-3 on a quarterly basis for 1999-2005.[4] The data show that the Brazilian real fluctuated widely throughout the period in both nominal and real terms, while the Indian rupee, the Korean won, the Mexican peso, the new Taiwan dollar, and the Thai baht each fluctuated moderately during this period, showing no clear-cut overall trend. The Turkish new lira depreciated sharply in relation to the dollar during 1999-2001, and then remained relatively stable during 2002-05.

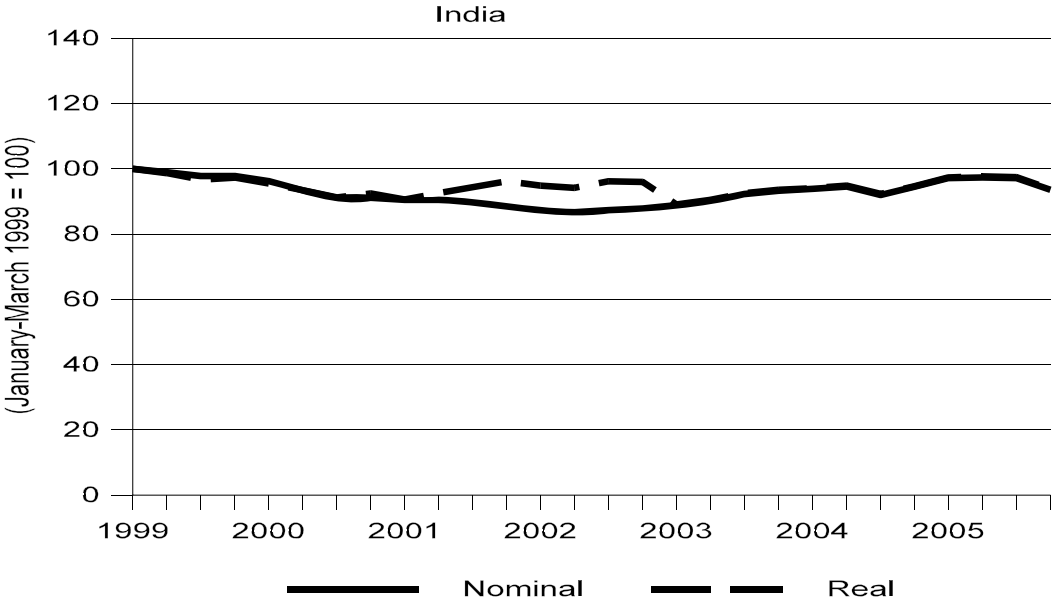
---

[3] *Circular Welded Non-Alloy Steel Pipe From China, Investigation No. TA-421-6*, USITC Publication 3807, October 2005, appendix F.

[4] Real exchange rates are calculated by adjusting the nominal rates for movements in producer prices in the United States and Japan. A real exchange rate could not be calculated for Turkey because of the lack of a consistent producer price index for Turkey during this period.

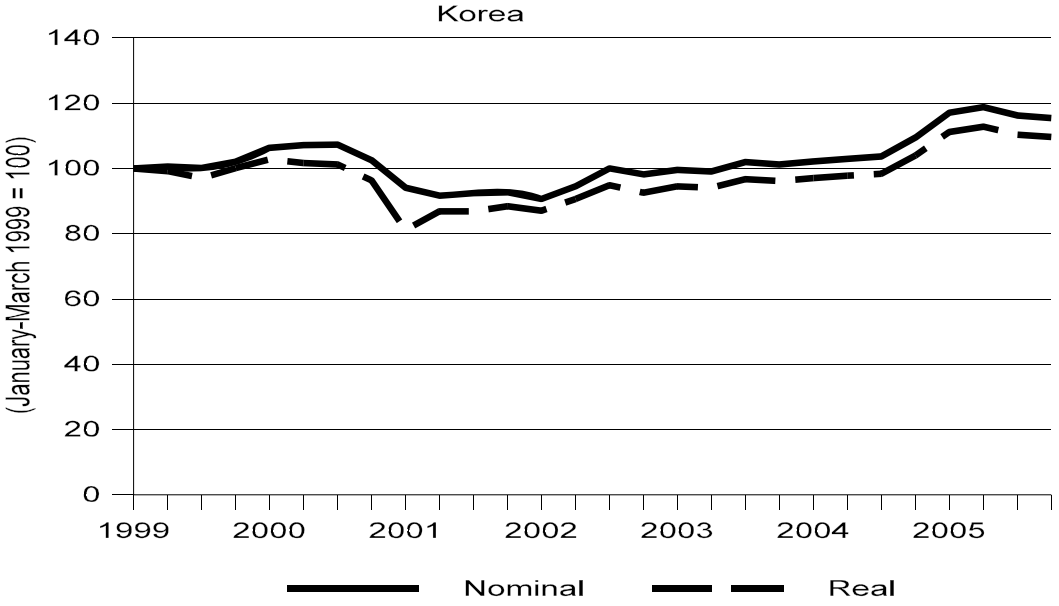
**Figure CIRCULAR-V-3**
**Exchange rates: Indexes of the nominal and real exchange rates of the Brazilian, Indian, Korean, Mexican, Taiwan, Thai, and Turkish currencies relative to the U.S. dollar, by quarters, January 1999-December 2005**

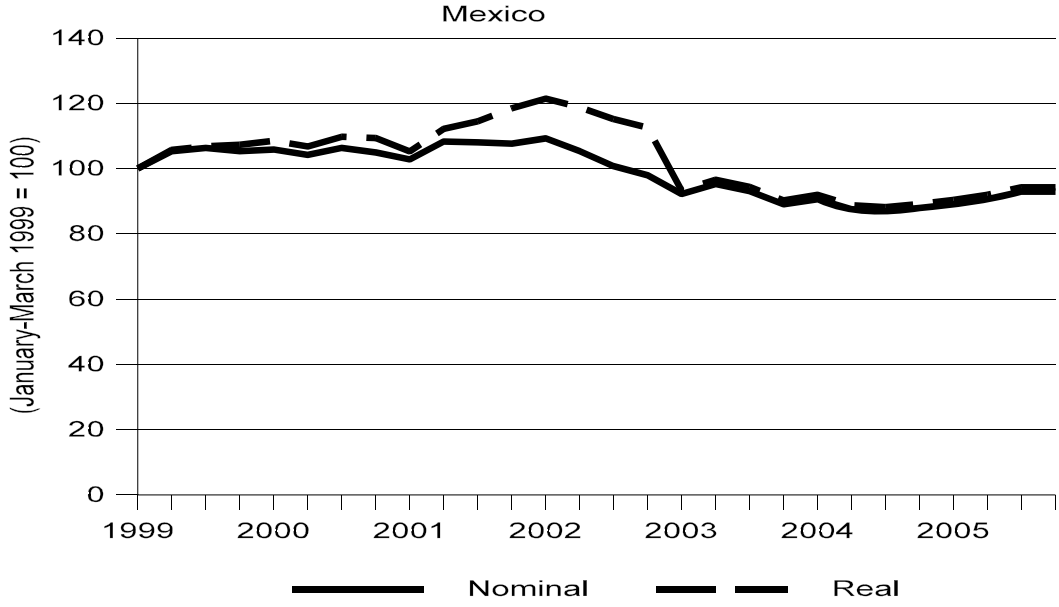



Continued on following page.

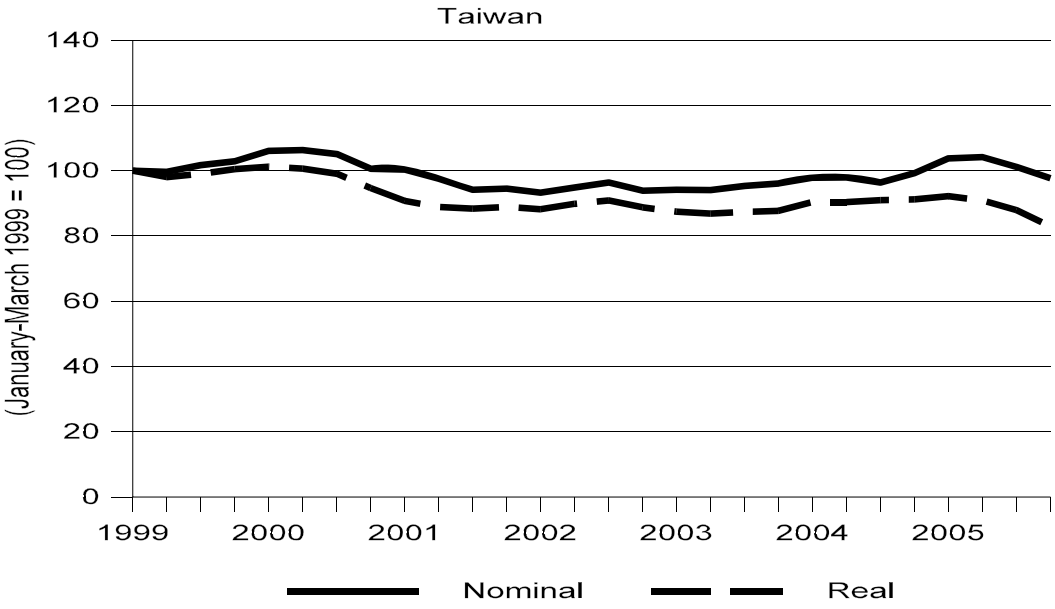
**Figure CIRCULAR-V-3--*Continued***
**Exchange rates: Indexes of the nominal and real exchange rates of the Brazilian, Indian, Korean, Mexican, Taiwan, Thai, and Turkish currencies relative to the U.S. dollar, by quarters, January 1999-December 2005**

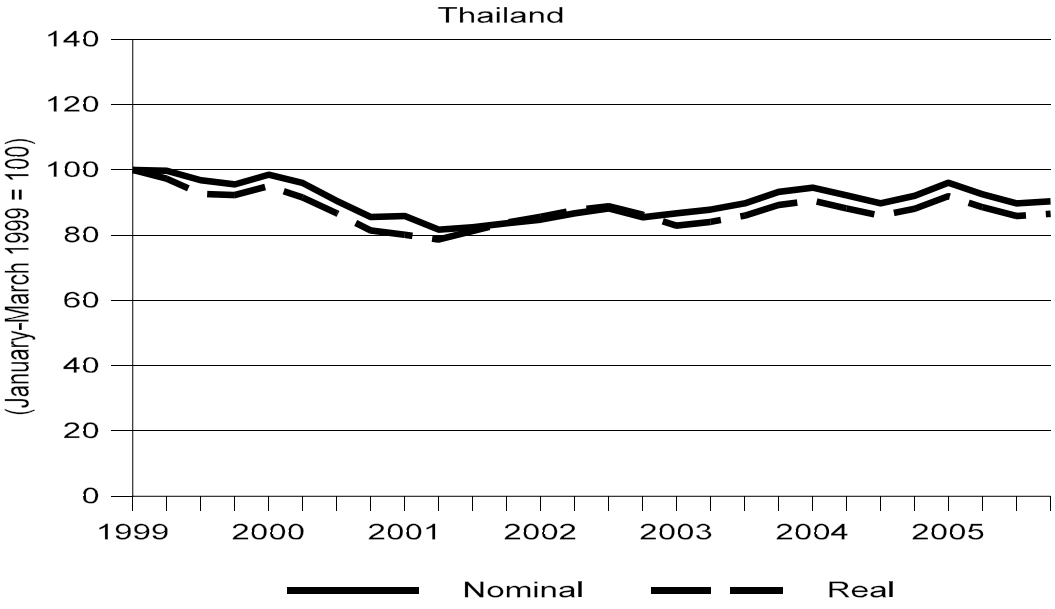



Continued on following page.

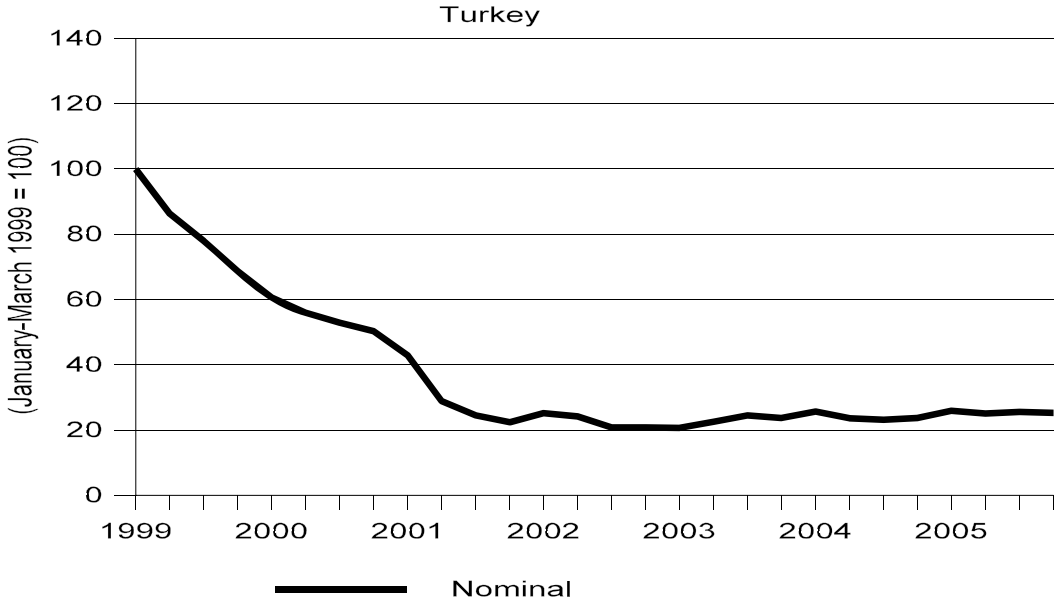
**Figure CIRCULAR-V-3--*Continued***
**Exchange rates: Indexes of the nominal and real exchange rates of the Brazilian, Indian, Korean, Mexican, Taiwan, Thai, and Turkish currencies relative to the U.S. dollar, by quarters, January 1999-December 2005**




Continued on following page.

**Figure CIRCULAR-V-3--*Continued***
**Exchange rates: Indexes of the nominal and real exchange rates of the Brazilian, Indian, Korean, Mexican, Taiwan, Thai, and Turkish currencies relative to the U.S. dollar, by quarters, January 1999-December 2005**




Source: IMF International Financial Statistics, April 2006, various earlier issues, and the St. Louis Federal Reserve.

## PRICING PRACTICES

A majority of domestic producers and importers reported that pricing for circular welded pipe and tube is commonly done on a transaction-by-transaction basis. Thirteen U.S. producers and 14 importers reported determining prices in this manner. A few firms (four U.S. producers and two importers) reported that their prices for circular welded pipe and tube are based on price lists. In addition, some importers reported that they base their prices on the cost of imports plus a markup.

When asked whether their sales are on an f.o.b or delivered basis, the majority of producers reported that they sell on an f.o.b. basis, while imports were commonly sold on either an f.o.b or delivered basis. Thirteen of the 19 responding U.S. producers and 8 of the 29 responding importers reported that their firm generally arranges the transportation for shipment to their customers' facilities, while, six U.S. producers and 20 importers reported that their customers generally arrange transportation. In the case of one importer, both the firm and its customers arrange transportation.

Producers are more likely to provide quantity discounts than importers. Fourteen of 20 U.S. producers reported that they offered some form of quantity discounts or rebates to their customers, either based on the quantity of a particular sale or based on the annual volume purchased. However, the majority of responding importers (25 of 30) reported that they do not offer discounts. A number of U.S. producers (14 of 20) reported that they offer discounts for early payment ranging from ½ percent to 2 percent if invoices are paid within 10 days. However, most responding importers (28 of 30) indicated that they did not have early payment discounts.

Most sales of circular welded pipe and tube are on a spot basis. Fourteen of 19 responding U.S. producers reported that 95 percent or more of their sales were made on a spot basis, with 10 of these firms stating that 100 percent were spot sales. For the eight producers that reported the use of contracts, the

duration was typically ***. The contracts fixed both price and quantity, and frequently contained meet-or-release provisions.[5] Most responding importers (22 of 25) reported that all of their sales of circular welded pipe and tube were on a spot basis. One importer reported that 10 percent of its sales were on a spot basis, and two others reported that all of their sales of circular welded pipe and tube are on a contract basis. The duration of these contracts varied among the responding importers but ranged from 3 to 5 months. All three of these importers stated that their contracts fix both price and quantity and two of three reported that they contain meet-or-release provisions.

When producers and importers were asked if their firm sells circular welded pipe and tube over the internet, most responding producers and importers reported that they do not sell the subject product over the internet. Eighteen of the 20 responding U.S. producers and all 29 of the responding importers stated that they did not sell circular welded pipe and tube over the internet.

## PRICE DATA

The Commission asked U.S. producers and importers of circular welded pipe and tube to provide quarterly data for the total quantity and value of circular welded pipe and tube that was shipped to unrelated purchasers in the U.S. market on an f.o.b basis for the period January 1999 through December 2005. The products for which pricing data were requested are as follows:

***Product 1*.–Circular welded steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 1 inch nominal pipe size ("NPS").**

***Product 2*.–Circular welded steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 2 inches NPS.**

***Product 3*.–Circular welded steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, with NPS of 2-4 inches inclusive.**

***Product 4*.–Circular welded steel pipe meeting ASTM-A-53 or equivalent, schedule 40, galvanized, plain-end, with NPS of 2-4 inches inclusive.**

***Product 5*.–Circular welded steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, with NPS of 6-8 inches inclusive.**

***Product 6*.–Circular welded steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 10 inches NPS.**

***Product 7*.–Galvanized fence tube, with outside diameter of 1 3/8 - 2 3/8 inches inclusive, and wall thickness of 0.055-0.075 inch.**

Fifteen U.S. producers and 13 importers of products from the subject countries provided varying amounts of price data. Pricing data reported by the producers accounted for approximately 28 percent of U.S. producers' commercial shipments of circular welded steel pipe during 2005. U.S. producers as a group reported prices for all seven product categories in all quarters.

[5] *** reported that its contracts typically had a standard minimum quantity of *** tons and contained meet-or-release clauses. *** reported that its contracts had a minimum quantity requirement of *** tons and did not typically have meet-or-release clauses.

U.S. importers of circular welded pipe and tube from India, Mexico, Thailand, Taiwan, and Turkey all provided price data. There were no prices reported for imports from Brazil, and no directly useable price data for imports from Thailand. Price data reported by importers for shipments of circular welded pipe and tube during 2005 accounted for about 4 percent of imports from India, 7 percent from Korea, 1 percent from Mexico, and 44 percent from Turkey. There were no reported sales of the specified products from Taiwan in 2005. U.S. importers of circular welded pipe and tube from three of the subject import sources, India, Korea, and Turkey, reported sales of all seven product categories during the 1999-2005 period. However, sales of Taiwan pipe and tube consisted only of products 1, 2, and 3 and sales of Mexican pipe and tube were limited to products 1 and 3.

## Price Trends

Weighted-average prices for producers and importers from subject countries for products 1-7 are presented in tables CIRCULAR-V-1 through CIRCULAR-V-7 and in figure CIRCULAR-V-4 on a quarterly basis for the period 1999-2005. The producer data show a general overall increase for the seven products during the seven year period. U.S. prices of products 1, 2, 3, 5, and 7 all reached peak levels in the second half of 2004, and then decreased from those peak levels in 2005. The price of product 4 reached its highest level in the fourth quarter of 2005 and the price of product 6 reached its peak in the third quarter of 2005. Between the first quarter of 1999 and the fourth quarter of 2005, prices of all seven products rose irregularly from more than 30 percent to more than 100 percent. However, since reaching their peak levels, prices of products 1, 2, 3, 5, 6, and 7 each experienced declines ranging from about 3 percent to about 14 percent by the fourth quarter of 2005.

In the case of imports, prices also generally increased during 1999-2005 for all seven product categories. Prices of imports from Korea were available in most quarters for all seven products. However, fewer sales were reported for imports from other sources.

**Table CIRCULAR-V-1**
**Circular welded pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, 1999-2005**

| Period | United States | | India | | | Korea | | |
|---|---|---|---|---|---|---|---|---|
| | Price (*per ton*) | Quantity (*tons*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) |
| **1999:** | | | | | | | | |
| Jan.-Mar. | $493 | 2,478 | $*** | *** | *** | $*** | *** | *** |
| Apr.-June | 490 | 2,322 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 498 | 2,316 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 491 | 2,623 | *** | *** | *** | *** | *** | *** |
| **2000:** | | | | | | | | |
| Jan.-Mar. | 490 | 5,303 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 496 | 4,465 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 484 | 4,501 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 479 | 4,467 | *** | *** | *** | *** | *** | *** |
| **2001:** | | | | | | | | |
| Jan.-Mar. | 465 | 4,734 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 456 | 5,526 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 444 | 5,414 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 438 | 5,682 | *** | *** | *** | *** | *** | *** |
| **2002:** | | | | | | | | |
| Jan.-Mar. | 440 | 5,800 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 467 | 8,528 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 520 | 6,920 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 519 | 5,393 | *** | *** | *** | *** | *** | *** |
| **2003:** | | | | | | | | |
| Jan.-Mar. | 494 | 6,332 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 503 | 6,207 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 494 | 6,595 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 523 | 7,621 | *** | *** | *** | *** | *** | *** |
| **2004:** | | | | | | | | |
| Jan.-Mar. | 615 | 10,514 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 906 | 8,673 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 957 | 5,764 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 936 | 6,052 | *** | *** | *** | *** | *** | *** |
| **2005:** | | | | | | | | |
| Jan.-Mar. | 901 | 6,702 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 842 | 6,819 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 793 | 7,933 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 828 | 8,422 | *** | *** | *** | *** | *** | *** |

[1] Circular, welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 1 inch NPS.

*{Note.–Columns for Mexico, Taiwan, and Turkey have been removed from this table due to confidentiality treatment.}*

Source: Compiled from data submitted in response to Commission questionnaires. Table continued on the following page.

**Table CIRCULAR-V-2**
**Circular welded pipe and tube : Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, 1999-2005**

| Period | United States | | India | | | Korea | | |
|---|---|---|---|---|---|---|---|---|
| | Price (*per ton*) | Quantity (*tons*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) |
| **1999:** | | | | | | | | |
| Jan.-Mar. | $484 | 840 | $*** | *** | *** | $*** | *** | *** |
| Apr.-June | 497 | 706 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 481 | 847 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 481 | 732 | *** | *** | *** | *** | *** | *** |
| **2000:** | | | | | | | | |
| Jan.-Mar. | 486 | 2,603 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 490 | 2,485 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 482 | 2,722 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 478 | 2,583 | *** | *** | *** | *** | *** | *** |
| **2001:** | | | | | | | | |
| Jan.-Mar. | 458 | 2,612 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 449 | 2,987 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 437 | 3,469 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 423 | 3,709 | *** | *** | *** | *** | *** | *** |
| **2002:** | | | | | | | | |
| Jan.-Mar. | 427 | 3,269 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 459 | 5,139 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 494 | 4,847 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 531 | 3,199 | *** | *** | *** | *** | *** | *** |
| **2003:** | | | | | | | | |
| Jan.-Mar. | 500 | 3,714 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 509 | 4,168 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 509 | 3,864 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 523 | 4,706 | *** | *** | *** | *** | *** | *** |
| **2004:** | | | | | | | | |
| Jan.-Mar. | 632 | 5,422 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 855 | 4,488 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 881 | 3,341 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 865 | 3,210 | *** | *** | *** | *** | *** | *** |
| **2005:** | | | | | | | | |
| Jan.-Mar. | 851 | 4,288 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 858 | 4,115 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 833 | 4,439 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 857 | 4,926 | *** | *** | *** | *** | *** | *** |

[1] Circular, welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 2 inches NPS.

*{Note.–Columns for Taiwan and Turkey have been removed from this table due to confidentiality treatment.}*

Source: Compiled from data submitted in response to Commission questionnaires.

**Table CIRCULAR-V-3**
**Circular welded pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, 1999-2005**

| Period | United States | | India | | | Korea | | |
|---|---|---|---|---|---|---|---|---|
| | Price (*per ton*) | Quantity (*tons*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) |
| **1999:** | | | | | | | | |
| Jan.-Mar. | $477 | 6,823 | $*** | *** | *** | $*** | *** | *** |
| Apr.-June | 480 | 7,625 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 493 | 9,577 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 496 | 10,278 | *** | *** | *** | *** | *** | *** |
| **2000:** | | | | | | | | |
| Jan.-Mar. | 474 | 26,823 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 474 | 25,065 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 456 | 24,680 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 445 | 21,397 | *** | *** | *** | *** | *** | *** |
| **2001:** | | | | | | | | |
| Jan.-Mar. | 431 | 23,748 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 427 | 24,963 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 405 | 28,197 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 402 | 25,328 | *** | *** | *** | *** | *** | *** |
| **2002:** | | | | | | | | |
| Jan.-Mar. | 396 | 26,907 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 427 | 39,534 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 479 | 34,879 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 507 | 23,848 | *** | *** | *** | *** | *** | *** |
| **2003:** | | | | | | | | |
| Jan.-Mar. | 448 | 30,103 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 456 | 30,983 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 456 | 35,331 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 478 | 40,840 | *** | *** | *** | *** | *** | *** |
| **2004:** | | | | | | | | |
| Jan.-Mar. | 589 | 44,485 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 844 | 43,731 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 918 | 27,462 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 927 | 19,598 | *** | *** | *** | *** | *** | *** |
| **2005:** | | | | | | | | |
| Jan.-Mar. | 911 | 28,345 | *** | *** | *** | *** | *** | *** |
| Apr.-June | 883 | 29,221 | *** | *** | *** | *** | *** | *** |
| July-Sept. | 824 | 32,867 | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 872 | 33,723 | *** | *** | *** | *** | *** | *** |

[1] Circular, welded non-alloy steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 2-4 inches NPS.

*{Note.–Columns for Mexico, Taiwan, and Turkey have been removed from this table due to confidentiality treatment.}*

Source: Compiled from data submitted in response to Commission questionnaires.

**Table CIRCULAR-V-4**
**Circular welded pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, 1999-2005**

* * * * * * *

**Table CIRCULAR-V-5**
**Circular welded pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 5[1] and margins of underselling/(overselling), by quarters, 1999-2005**

| Period | United States | | India | | | Korea | | | Turkey | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Price (*per ton*) | Quantity (*tons*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) | Price (*per ton*) | Quantity (*tons*) | Margin (*percent*) |
| **1999:** | | | | | | | | | | | |
| Jan.-Mar. | 439 | 11,754 | $*** | *** | *** | $*** | *** | *** | $*** | *** | *** |
| Apr.-June | 607 | 10,285 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | 619 | 12,135 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 608 | 13,051 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| **2000:** | | | | | | | | | | | |
| Jan.-Mar. | 475 | 32,523 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | 455 | 32,056 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | 460 | 32,091 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 464 | 23,362 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| **2001:** | | | | | | | | | | | |
| Jan.-Mar. | 431 | 30,371 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | 420 | 30,927 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | 411 | 29,270 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 391 | 27,042 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| **2002:** | | | | | | | | | | | |
| Jan.-Mar. | 396 | 31,931 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | 426 | 38,239 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | 479 | 31,358 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 557 | 26,297 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| **2003:** | | | | | | | | | | | |
| Jan.-Mar. | 513 | 26,206 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | 504 | 33,078 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | 455 | 36,737 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 454 | 37,330 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| **2004:** | | | | | | | | | | | |
| Jan.-Mar. | 569 | 42,647 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | 846 | 45,573 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | 921 | 33,043 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 931 | 21,225 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| **2005:** | | | | | | | | | | | |
| Jan.-Mar. | 913 | 22,844 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Apr.-June | 876 | 27,505 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| July-Sept. | 840 | 30,420 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Oct.-Dec. | 903 | 23,340 | *** | *** | *** | *** | *** | *** | *** | *** | *** |

[1] Circular, welded steel pipe meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 6-8 inches NPS.

Source: Compiled from data submitted in response to Commission questionnaires.

**Table CIRCULAR-V-6**
**Circular welded pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarters, 1999-2005**

* * * * * * *

**Table CIRCULAR-V-7**
**Circular welded pipe and tube: Weighted-average f.o.b. prices and quantities of domestic and imported product 7 and margins of underselling/(overselling), by quarters, 1999-2005**

* * * * * * *

**Figure CIRCULAR-V-4**
**Circular welded pipe and tube: Weighted-average f.o.b. prices of domestic and imported products 1-7, by quarters, 1999-2005**

* * * * * * *

## Price Comparisons

Prices of U.S.-produced circular welded pipe and tube were higher in most cases than prices of imports from the subject countries during 1999-2005. In the 323 possible comparisons for the five subject countries for which price data were reported, import prices were lower in 273 of the comparisons and higher in 50 comparisons. Breakouts of margins of underselling/overselling are shown in table CIRCULAR-V-8.

The price comparisons in these reviews are similar to the results for the first review for products 1 and 2. In both reviews, the underselling occurred in most quarters for comparisons between the United States and the subject countries. However, with the exception of products 1 and 2, different categories were used in these reviews than in the first reviews.

**Table CIRCULAR-V-8**
**Circular welded pipe and tube: Instances of underselling/overselling and the range of margins by countries, 1999-2005**

| Country | Underselling | | Overselling | |
|---|---|---|---|---|
| | Number of instances | Range (*percent*) | Number of instances | Range (*percent*) |
| Brazil[1] | -- | -- | -- | -- |
| India[2] | 41 | 10.1 to 50.3 | 2 | 1.0 to 5.2 |
| Korea[3] | 145 | 0.1 to 54.9 | 41 | 0.1 to 35.0 |
| Mexico[4] | 13 | 8.1 to 28.0 | 2 | 12.2 to 18.0 |
| Taiwan[5] | 6 | 12.0 to 25.9 | 0 | __ |
| Thailand[6] | -- | -- | -- | -- |
| Turkey[7] | 68 | 3.8 to 46.9 | 5 | 2.2 to 15.4 |

[1] In the original investigation concerning Brazil, the Brazilian product undersold the domestic product in 33 instances and oversold the domestic product in 3 instances. In the first review, there were no data reported for imports from Brazil.

[2] In the original investigation concerning India, the Indian product undersold the domestic product in all 22 comparisons. In the first review, imports from India undersold the domestic product in 33 comparisons and oversold the domestic product in 15 comparisons.

[3] In the original investigations concerning Korea, the Korean product undersold the domestic product in 110 instances and oversold the domestic product in 14 instances. In the first review, imports from Korea undersold the domestic product in 42 comparisons and oversold the domestic product in 15 comparisons.

[4] In the original investigation concerning Mexico, the Mexican product undersold the domestic product in 19 instances and oversold the domestic product in 3 instances. In the first review, imports from Mexico undersold the domestic product in all 7 comparisons.

[5] In the original investigations concerning Taiwan, the Taiwan product undersold the domestic product in all 32 comparisons and oversold the domestic product in 4 comparisons. In the first review, imports from Taiwan undersold the domestic product in 39 comparisons and oversold the domestic product in 8 comparisons.

[6] In the original investigation concerning Thailand, the Thai product undersold the domestic product in 12 instances and oversold the domestic product in 2 instances. In the first review, imports from Thailand undersold the domestic product in 24 comparisons and oversold the domestic product in 20 comparisons.

[7] In the original investigations concerning Turkey, the Turkish product undersold the domestic product in all 37 comparisons. In the first review, imports from Turkey undersold the domestic product in 28 comparisons and oversold the domestic product in 22 comparisons.

Source: Compiled from data submitted in response to Commission questionnaires and from *Certain Pipe from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela*, investigation Nos. 701-TA-253 and 731-TA-1322, 252, 271, 273, 276-277, 296, 409-410, 532-534, and 536-537 ("First Reviews"), USITC Publication 3316 (July 2000) and confidential versions of investigation reports relating to Circular Welded Nonalloy Steel Pipe from Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela (dated October 8, 1992); Certain Welded Carbon Steel Pipes and Tubes from Taiwan and Turkey (dated April 15 1986); Certain Welded Carbon Steel Pipe and Tube from Turkey and Thailand (dated February 5, 1986); and Certain Welded Carbon Steel Pipes and Tubes from Korea and Taiwan (dated April 11, 1984).

# PART LWR-I: INTRODUCTION AND OVERVIEW

## GENERAL INFORMATION

U.S. industry data are based on questionnaire responses of 14 firms that accounted for nearly all the U.S. production of LWR pipe and tube during the period under review. U.S. import data are based on official Commerce statistics. Responses by U.S. producers, importers, and purchasers of LWR pipe and tube to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of revocation are presented in appendix D.

Table LWR-I-1 presents comparative information available from the original investigations, the first reviews, and these second reviews.

**Table LWR-I-1**
**LWR pipe and tube: Comparative data from the original investigations, first reviews, and current reviews, 1985-87 and 1997-2005**

| Item | 1985 | 1986 | 1987 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Quantity (*1,000 short tons*)** | | | | | | | | | | | |
| Apparent U.S. consumption | 262 | 263 | 288 | 526 | 565 | 749 | 746 | 668 | 787 | 793 | 763 | 792 |
| | **Share (*percent*)** | | | | | | | | | | | |
| Producers' share | 68.1 | 73.1 | 72.1 | 72.2 | 71.7 | 69.8 | 67.3 | 66.5 | 62.6 | 63.4 | 63.7 | 57.4 |
| Importers' shares-- | | | | | | | | | | | | |
| Argentina | ([1]) | 0.7 | 5.1 | 0.0 | 0.0 | 0.0 | ([1]) | 0.0 | ([1]) | 0.0 | 0.0 | 0.0 |
| Taiwan | 0.2 | 3.8 | 5.1 | 0.0 | ([1]) | ([1]) | ([1]) | ([1]) | 0.0 | 0.0 | ([1])([2]) | ([1])([2]) |
| All subject sources[3] | 0.2 | 4.5 | 10.2 | 0.0 | ([1]) | ([1]) | ([1]) | ([1]) | ([1]) | 0.0 | ([1])([2]) | ([1])([2]) |
| All other sources[3] | 31.7 | 22.0 | 17.7 | 27.8 | 28.3 | 30.2 | 32.7 | 33.5 | 37.4 | 36.6 | 36.3 | 42.6 |
| Total imports | 31.9 | 26.5 | 27.9 | 27.8 | 28.3 | 30.2 | 32.7 | 33.5 | 37.4 | 36.6 | 36.3 | 42.6 |
| | **Quantity (*1,000 short tons*), Value (*1,000 dollars*), Unit value (*per short ton*)** | | | | | | | | | | | |
| U.S. imports from— | | | | | | | | | | | | |
| Argentina: | | | | | | | | | | | | |
| Quantity | ([3]) | 2 | 15 | 0 | 0 | 0 | ([3]) | 0 | ([3]) | 0 | 0 | 0 |
| Value | 45 | 751 | 6,170 | 0 | 0 | 0 | 6 | 0 | 7 | 0 | 0 | 0 |
| Average unit value | $372 | $407 | $418 | ([4]) | ([4]) | ([4]) | $2,068 | ([4]) | $483 | ([4]) | ([4]) | ([4]) |
| Taiwan: | | | | | | | | | | | | |
| Quantity | ([3]) | 10 | 15 | 0 | ([3]) | ([3]) | ([3]) | ([3]) | 0 | 0 | ([3]) | ([3]) |
| Value | 216 | 4,208 | 6,462 | 0 | 86 | 132 | 48 | 6 | 0 | 0 | 98[2] | 441[2] |
| Average unit value | $532 | $422 | $437 | ([4]) | $1,819 | $1,713 | $2,062 | $484 | ([4]) | ([4]) | $1,661[2] | $1,592[2] |
| All subject sources: | | | | | | | | | | | | |
| Quantity | 1 | 12 | 30 | 0 | ([3]) | ([3]) | ([3]) | ([3]) | ([3]) | 0 | ([3]) | ([3]) |
| Value | 261 | 4,959 | 12,632 | 0 | 86 | 132 | 54 | 6 | 7 | 0 | 98[2] | 441[2] |
| Average unit value | $495 | $420 | $428 | ([4]) | $1,819 | $1,713 | $2,063 | $484 | $483 | ([4]) | $1,661[2] | $1,592[2] |

Table continued on next page. Footnotes and notes appear at the end of the table.

**Table LWR-I-1--*Continued***
**LWR pipe and tube: Comparative data from the original investigations, first reviews, and current reviews, 1985-87 and 1997-2005**

| Item | 1985 | 1986 | 1987 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Quantity (*1,000 short tons*), Value (*1,000 dollars*), Unit value (*per short ton*)** | | | | | | | | | | | |
| U.S. imports–*continued* | | | | | | | | | | | | |
| Nonsubject sources:[5] | | | | | | | | | | | | |
| Quantity | 83 | 58 | 51 | 146 | 160 | 227 | 244 | 224 | 294 | 290 | 277 | 337 |
| Value | 38,314 | 26,515 | 25,007 | 73,459 | 78,263 | 103,032 | 122,291 | 104,642 | 141,019 | 141,739 | 210,700 | 266,654 |
| Average unit value | $462 | $459 | $490 | $502 | $490 | $455 | $502 | $468 | $479 | $488 | $761 | $790 |
| Total imports: | | | | | | | | | | | | |
| Quantity | 83 | 70 | 81 | 146 | 159 | 227 | 244 | 224 | 294 | 290 | 277 | 338 |
| Value | 38,575 | 31,474 | 37,639 | 73,459 | 78,349 | 103,165 | 122,345 | 104,648 | 141,026 | 141,739 | 210,798 | 267,095 |
| Average unit value | $462 | $452 | $468 | $502 | $490 | $455 | $502 | $468 | $479 | $488 | $761 | $791 |
| | **Quantity (*1,000 short tons*) unless otherwise indicated** | | | | | | | | | | | |
| U.S. producers'– | | | | | | | | | | | | |
| Capacity | 281 | 326 | 320 | 568 | 599 | 901 | 893 | 894 | 924 | 883 | 891 | 886 |
| Production | 179 | 195 | 212 | 382 | 404 | 544 | 518 | 450 | 507 | 503 | 488 | 451 |
| U.S. shipments | 178 | 193 | 208 | 379 | 405 | 523 | 502 | 444 | 493 | 502 | 486 | 455 |
| Export shipments | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| PRWs (*number*) | 312 | 404 | 426 | 528 | 549 | 1,093 | 1,050 | 978 | 1,058 | 1,099 | 1,068 | 1,059 |
| Hours worked (*1,000*) | 595 | 735 | 775 | 1,166 | 1,197 | 1,807 | 1,766 | 1,559 | 1,680 | 1,998 | 1,866 | 1,770 |
| Net sales (*1,000 dollars*) | 64,399 | 77,418 | 93,000 | 116,251 | 112,005 | 288,564 | 288,059 | 234,075 | 265,797 | 297,840 | 441,580 | 428,401 |
| Operating margin (*percent*) | 4.6 | 2.6 | 3.0 | 9.4 | 9.4 | 13.9 | 11.0 | 10.2 | 11.7 | 7.2 | 16.6 | 10.4 |

[1] Less than 0.05 percent.
[2] The U.S. importer and the foreign producer reported no U.S. imports or exports to the United States in 2004 or 2005 corresponding to the Commission's definition of LWR pipe and tube.
[3] Fewer than 500 short tons.
[4] Not applicable.
[5] Data reported for imports of LWR pipe and tube from nonsubject sources differ from those reported in the first reviews because imports of LWR pipe and tube from Singapore have been included in this category. There were no imports of LWR pipe and tube from Singapore between 1999 and 2005.

Source: *Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela, Inv. Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, and 537 (Review)*, USITC Publication 3316, July 2000, official Commerce import statistics, and data compiled from responses to Commission questionnaires.

## COMMERCE'S REVIEWS

### Administrative Reviews

Commerce did not conduct any administrative review of sales of LWR pipe and tube from either Argentina or Taiwan between 1999 and 2005.

### Expedited Reviews

On November 7, 2005, Commerce found that revocation of the antidumping duty orders on LWR pipe and tube from Argentina and Taiwan would likely lead to continuation or recurrence of dumping.[1] Table LWR-I-2 presents information on the rates at which Commerce determined firms would be dumping in the absence of these orders.

**Table LWR-I-2**
**LWR pipe and tube: Final results of Commerce's reviews of antidumping duty orders on Argentina and Taiwan, 2005**

| Order | Producer or exporter | Likely dumping margins (*percent*) |
|---|---|---|
| Argentina (731-TA-409) | All manufacturers/exporters | 56.26 |
| Taiwan (731-TA-410) | Ornatube Enterprise | 5.51 |
| | Vulcan Industrial | 40.97 |
| | Yieh Hsing Industries | 40.97 |
| | All other manufacturers/exporters | 29.15 |
| Source: *Light–Walled Welded Rectangular Carbon Steel Tubing from Argentina and Taiwan; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 70 FR 67432, November 7, 2005. | | |

Commerce has not issued any duty absorption determination with respect to the antidumping duty orders on LWR pipe and tube from Argentina or Taiwan.

## DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.[2] During the review period, qualified U.S. producers of LWR pipe and tube were eligible to receive disbursements from Customs under CDSOA relating to two antidumping duty orders on the subject product beginning in Federal fiscal year 2001.[3] Table LWR-I-3 presents CDSOA disbursements and claims for Federal fiscal years (October 1-September 30) 2001-05.

---

[1] *Light–Walled Welded Rectangular Carbon Steel Tubing from Argentina and Taiwan; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 70 FR 67432, November 7, 2005. Commerce's notice is presented in app. A.

[2] Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675c).

[3] 19 CFR 159.64(g).

**Table LWR-I-3**
**LWR pipe and tube: CDSOA disbursements, by source, Federal fiscal years 2001-05**

| Item | Federal fiscal year | | | | |
|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Disbursements (*1,000 dollars*) | | | | |
| Hannibal | 0 | 0 | (1) | (1) | 0 |
| Maruichi | 0 | 0 | (1) | (1) | 0 |
| Northwest | 0 | 0 | (1) | (1) | 0 |
| Searing | 0 | 0 | (1) | 0 | 0 |
| Western | 0 | 0 | (1) | (1) | 0 |
| Total | 0 | 0 | 1 | 1 | 0 |
| | Claims (*1,000 dollars*) | | | | |
| Total | 599,744 | 1,323,567 | 1,331,756 | 1,462,251 | 1,778,962 |

[1] Fewer than 500 dollars.

Source: U.S. Customs and Border Protection's CDSOA *Annual Reports*. Retrieved at www.cbp.gov/xp/cgov/import/add_cvd

## THE SUBJECT MERCHANDISE

### Commerce's Scope

Table LWR-I-4 presents the scope definitions for the imported product subject to the antidumping orders under review, as defined by Commerce.

**Table LWR-I-4**
**LWR pipe and tube: Commerce scope definitions**

| Country | Inv. No. | Scope |
|---|---|---|
| Argentina | 731-TA-409<br>A-357-802 | ...light-walled welded carbon steel tubing of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch, from Argentina. The subject merchandise is classifiable under item 7306.60.50.00 of the Harmonized Tariff System of the United States. |
| Taiwan | 731-TA-410<br>A-583-803 | ...light-walled welded carbon steel pipe and tube of rectangular (including square) cross-section having a wall thickness of less than 0.156 inch. The subject merchandise is classifiable under item number 7306.60.50.00 of the Harmonized Tariff System of the United States. |

Source: *Continuation of Antidumping Duty Orders: Light-Walled Rectangular Welded Carbon Steel Pipe and Tube From Argentina and Taiwan*, 65 FR 50955, August 22, 2000.

### Tariff Treatment

Table LWR-I-5 presents data on the tariff treatment used to generate official Commerce statistics on imports of subject LWR pipe and tube.

**Table LWR-I-5**
**LWR pipe and tube: Tariff treatment, 2005**

| HTS provision | Article description | General[1] | Special[2] | Column 2[3] |
|---|---|---|---|---|
| | | Rates *(percent ad valorem)* | | |
| 7306 | Other tubes, pipes and hollow profiles (for example, open seamed or welded, riveted or similarly closed), of iron or steel: | | | |
| 7306.60 | Other, welded, of non-circular cross section: | | | |
| | Having a wall thickness of less than 4 mm: | | | |
| 7306.60.5000 | Of iron or non-alloy steel | Free | | 25.0 |

[1] Normal trade relations, formerly known as the most-favored-nation duty rate.
[2] Special rates not applicable when General rate is Free.
[3] Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.

Source: Harmonized Tariff Schedule of the United States (2005).

## THE DOMESTIC LIKE PRODUCT

In its first reviews of the antidumping duty orders on LWR pipes and tubes from Argentina and Taiwan, the Commission found a single domestic like product consisting of LWR pipe and tube.[4]

### Physical Characteristics and Uses[5]

Steel pipes and tubes[6] in general are produced in various grades of carbon, alloy, or stainless steel and are distinguished by end uses as defined by the AISI: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and OCTG.

> STANDARD PIPE is ordinarily used for low-pressure conveyance of air, steam, gas, water, oil, or other fluids for mechanical applications. It is used primarily in machinery, buildings, sprinkler systems, irrigation systems and water wells rather than in pipe lines or utility distribution systems. It may carry fluids at elevated temperatures which are not subject to external heat applications. It is usually produced in standard diameters and wall thicknesses to ASTM specifications.

---

[4] *Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela (Review), Inv. Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, and 537*, USITC Publication 3316, July 2000, p. 14.

[5] Information in this section is drawn to a large degree from previous reviews on LWR pipe and tube. In particular, see *Certain Pipe and Tube from Argentina, Brazil, Canada, India, Korea, Mexico, Singapore, Taiwan, Thailand, Turkey, and Venezuela (Review), Inv. Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 276, 277, 296, 409, 410, 532-534, 536, and 537*, USITC Publication 3316, July 2000, pp. LWR-I-9 to I-10. See also *Light-walled Rectangular Pipe and Tube From Mexico and Turkey (Final), Inv. Nos. 731-TA-1054 and 1055*, USITC Publication 3728, October 2004, pp. I-6 through I-9.

[6] Pipe dimensions (e.g., outside diameter ("O.D.") and wall thickness) are standardized while tube dimensions are design-specific. The HTS generally makes no distinction between pipes and tubes.

LINE PIPE is used for transportation of gas, oil, or water generally in a pipeline or utility distribution system. It is produced to API and AWWA (American Water Works Association) specifications.

STRUCTURAL PIPE AND TUBING is welded or seamless pipe and tubing generally used for structural or load-bearing purposes above ground by the construction industry, as well as for structural members in ships, trailers, farm equipment and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications in round, square, rectangular or other cross-sectional shapes.

MECHANICAL TUBING is welded or seamless tubing produced in a large number of shapes of varied chemical composition in sizes 3/16 inch to 10¾ inches O.D. inclusive for carbon and alloy material. It is not normally produced to meet any specification other than that required to meet the end use. It is produced to meet exact O.D. and decimal wall thickness.

PRESSURE TUBING is used to convey fluids at elevated temperatures or pressures, or both, and is suitable to be subjected to heat applications. It is produced to exact O.D. and decimal wall thickness in sizes ½ inch to 6 inches O.D. inclusive, usually to specifications such as ASTM.

OIL COUNTRY TUBULAR GOODS are pipe used in wells in oil and gas industries consisting of casing, tubing, and drill pipe. Oil country tubular goods are produced to API specifications as follows:

A. Casing is the structural retainer for the walls of oil or gas wells and covers sizes 4½ to 20 inches O.D. inclusive.
B. Tubing is used within casing oil wells to convey oil to ground level and ordinarily includes sizes 1.050 to 4.500 inches O.D. inclusive.
C. Drill pipe is used to transmit power to a rotary drilling tool below ground level and covers sizes 2⅜ to 6¾ inches O.D. inclusive.

LWR pipes and tubes are primarily a subset of mechanical products. While most LWR pipe and tube is classified as mechanical tubing, which is not intended to support weight, a small amount may fall into the structural category which is meant to bear weight.

In common usage, and generally in the HTS, the terms “pipes,” “tubes,” and “tubular products” are interchangeable. Producers of tubular products, however, typically characterize pipes as circular cross-sectional tubular products produced in a few standard sizes, while tubes, conversely, may be of any cross-sectional shape, including circular, square, and rectangular, among others. The antidumping duty orders under review for LWR pipe and tube apply to only carbon, or non-alloy, steel LWR products, and do not stainless steel or other alloy steel. Additionally, the antidumping duty orders under review for LWR pipe and tube apply to product produced using welding technology and do not apply to seamless products. In the United States, steel pipes and tubes are generally produced according to industrial standards and specifications established by ASTM and other standard-setting organizations, primarily A-500 and A-513.

LWR pipe and tube is a distinct category of tube employed in a variety of end uses not involving the conveyance of liquids or gases. The main uses include fencing, window guards, cattle chutes, railings for construction and agricultural applications, and more ornamental (but also functional) items such as furniture parts, athletic equipment, lawn and garden equipment, store shelving, towel racks, and similar items. LWR pipe and tube’s physical properties and specifications often depend on the intended end use. Corrosion-resistant LWR pipe and tube, often galvanized, is used in applications where corrosion

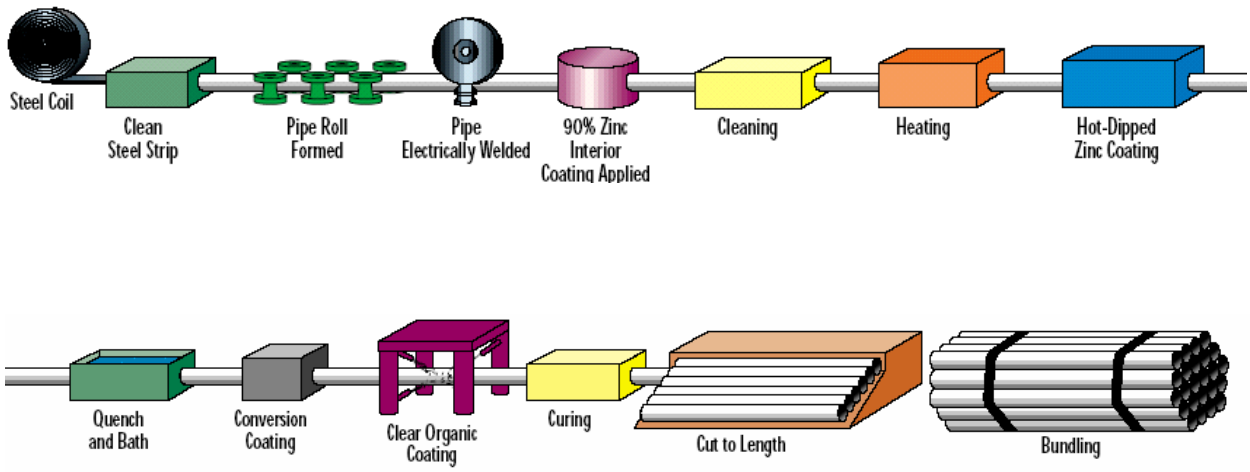
resistance is an important service requirement, such as air conditioning equipment, automotive parts, or certain outdoor signs. Otherwise, black LWR pipe and tube and corrosion-resistant LWR pipe and tube share many similar physical properties (*e.g.*, strength, hardness, and ductility).

## Manufacturing Process

The process of manufacturing LWR pipe and tube begins by slitting flat-rolled steel into strips of the width needed to produce the desired size of pipe and tube. The steel strips are then fed into machinery that bends the strip into tubular form. The edges of the strip are then pressed together and heated to approximately 2,600 degrees Fahrenheit. The pressure and heat on the edges form a weld. After welding, the round tube is formed into rectangular or square shapes by use of additional forming rolls. The tube is then cooled and cut.[7] U.S. producers currently employ two methods in the manufacture of LWR pipe and tube: (1) two-stage forming (from flat coil, to round tube, to rectangular tube) and (2) direct forming (directly from flat coil to rectangular tube). LWR pipe and tube is frequently produced on the same equipment, using the same employees, as round pipe and tube and structural (heavier-walled rectangular) tube.[8]

Galvanizing is the process of coating steel with a thin film of zinc to protect the steel from corrosion. The most common method for galvanizing is the hot-dip process, which involves dipping the tube into a molten zinc bath, but producers can also buy galvanized sheet to make LWR tubing directly. Figure LWR-I-1 graphically depicts the manufacturing process for LWR pipe and tube with in-line galvanizing.

**Figure I-1**
**LWR pipe & tube: Manufacturing process including coating**




Source: Prolamsa, Inc.

[7] A detailed description of the production process is contained in the Commission's original investigation report concerning LWR pipe and tube from Taiwan: *Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731-TA-410 (Final)*, USITC Publication 2169, March 1989, pp. A-4-A-5.

[8] Responses to Commission's producer's questionnaires.

## Channels of Distribution

U.S. producers and U.S. importers sell circular welded pipe and tube primarily through distributors. Table LWR-I-6 presents information on U.S. producers' channels of distribution. The two U.S. importers to provide data on their channels of distribution indicated ***.

**Table LWR-I-6**
**LWR pipe and tube: U.S. producers' channels of distribution, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Share (*percent*) | | | | | | |
| U.S. producers-- | | | | | | | |
| U.S. shipments to distributors | 68.7 | 71.4 | 68.9 | 69.5 | 73.4 | 85.9 | 86.1 |
| U.S. shipments to end users | 31.3 | 28.6 | 31.1 | 30.5 | 26.6 | 14.1 | 14.0 |

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. MARKET PARTICIPANTS

### U.S. Producers

Fourteen U.S. producers of LWR pipes and tubes responded to the Commission's questionnaire with usable data. Table LWR-I-7 presents information on U.S. producers' positions on the existing orders.

**Table LWR-I-7**
**LWR pipe and tube: U.S. producers' positions on the orders**

| Order | Support | Oppose | Take no position |
|---|---|---|---|
| Argentina (731-TA-409) | 13 | 0 | 1[1] |
| Taiwan (731-TA-410) | 13 | 0 | 1[1] |

[1] ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Table LWR-I-8 presents information on U.S. producers, ownership, plant locations, and 2005 production.

**Table LWR-I-8**
**LWR pipe and tube: U.S. producers, ownership, plant locations, U.S. production, and shares of U.S. production, 2005**

| Firm | Ownership | Plant location(s) | Production (*1,000 short tons*) | Share of production (*percent*) |
|---|---|---|---|---|
| Allied | Tyco (NJ) | DePere, WI<br>Lathrop, IL<br>Philadelphia, PA<br>Phoenix, AZ<br>Pine Bluff, AR | *** | *** |
| Atlas | | Plymouth, MI | *** | *** |
| Bull Moose | Caparo (United Kingdom) | Chesterfield, MO | *** | *** |

Table continued on next page.

**Table LWR-I-8--*Continued***
**LWR pipe and tube: U.S. producers, ownership, plant locations, U.S. production, and shares of U.S. production, 2005**

| Firm | Ownership | Plant location(s) | Production (*1,000 short tons*) | Share of production (*percent*) |
|---|---|---|---|---|
| California | JFE and Rio Doce (NY) | Fontana, CA | *** | *** |
| Copperweld | ([1]) | Chicago, IL | ***[1] | ***[1] |
| Hanna | Hanna Holdings (AL) | Fairfield, AL<br>Northport, AL<br>Pekin, IL | *** | *** |
| Hannibal | Mitsui Steel Holding (NY, but Japan ultimately) | Los Angeles, CA | *** | *** |
| Leavitt | | Madison, MS | *** | *** |
| Leggett | | LaVergne, TN<br>Carrollton, KY<br>West Point, MS | *** | *** |
| Maruchi | Maruichi Kokan (Japan) | Santa Fe Springs, CA | *** | *** |
| Maverick | ([2]) | Chesterfield, MO | ***[2] | ***[2] |
| Northwest | | Portland, OR<br>Atchison, KS<br>Bossier City, LA | *** | *** |
| Searing | | Rancho Cucamongo, CA | *** | *** |
| Vest | JFE Shoji Trade U.S.A. (Ultimately Japan) | Vernon, CA | *** | *** |
| Western | Sumitomo (Japan) | Long Beach, CA | *** | *** |
| | | Total | 451 | 100.0 |

[1] Acquired by Atlas.
[2] Sold its LWR business to Atlas, ***.

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. Importers

For these reviews, the Commission sent importers' questionnaires to all U.S. producers as well as 13 firms believed to have imported LWR pipe and tube between 1999 and 2005.[9] The Commission received usable data from two firms, while three firms indicated that they were not importing LWR pipe and tube. No responding firm reported any imports of LWR pipe and tube from Argentina or Taiwan.[10]

No U.S. producer imported LWR pipe and tube from Argentina or Taiwan, but one U.S. producer, ***, reported importing LWR pipe and tube from a nonsubject source, ***. The Commission

[9] Staff contacted five importers of nonsubject LWR pipe and tube that had submitted questionnaire responses in the Commission's original antidumping investigations on LWR pipe and tube from Turkey and Mexico. None of the importers contacted provided completed questionnaire responses.

[10] LWR pipe and tube from subject sources was minimal between 1999 and 2005, with some increasing quantities in 2004 and 2005. However, the firm responsible for the imports of LWR pipe and tube in 2004 and in 2005 submitted a questionnaire response indicating that these imports under HTS statistical reporting number 7306.60.5000 consisted of product not subject to these reviews. The imports in 2004 and 2005 accounted for 72 percent of all imports recorded under HTS 7306.60.5000 and otherwise reported as subject in Parts LWR-I and LWR-IV of this report.

received U.S. importer responses from one other firm, ***, which imported LWR pipe and tube from nonsubject sources, ***. ***.

## U.S. Purchasers

Sixteen purchasers provided questionnaires, and two reported that they had not purchased LWR pipe and tube since January 1999. The remaining 31 purchasers that received questionnaires did not respond. Table LWR-I-9 presents a summary of information relating to purchasers.

**Table LWR-I-9**
**LWR pipe and tube: U.S. purchasers, U.S. headquarters, sources of purchases, and types of firms**

| Company | Headquarters | Source of purchases | Type of firm |
|---|---|---|---|
| Alro Steel | Jackson, MI | ***<br>*** | Distributor |
| Carolina Carports | Dobson, NC | *** | Manufacturer |
| Central Steel & Wire Company | Chicago, IL | *** | Distributor |
| Chicago Tube and Iron | Romeoville, IL | *** | Distributor |
| Eagle Bend Mfg | Clinton, IN | *** | Manufacturer |
| Icon Health & Fitness | Logan, UT | ***<br>***<br>*** | Manufacturer |
| J&D Metal Bldg | Colbert, OK | *** | Distributor |
| McElroy Metal Mill | Bossier City, LA | *** | Distributor |
| Metals USA | Mobile, AL | ***<br>*** | Distributor |
| Norton Metals Inc. | Fort Worth, TX | ***<br>*** | Distributor |
| PDM Steel Service Centers | Stockton, CA | ***<br>***<br>*** | Distributor |
| Pacific Steel & Recycling | Great Falls, MT | *** | Distributor |
| Patton Sales | Ontario, CA | ***<br>*** | Distributor |
| Ramcast Ornamental Supply | Los Angeles, CA | ***<br>*** | Distributor |
| Sweetwater Steel Company | Sweetwater, TX | *** | Distributor, retailer |
| Wheeler Metals | Muskegee, OK | ***<br>*** | Distributor |

Source: Compiled from data submitted in response to Commission questionnaires.

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table LWR-I-10 presents apparent U.S. consumption. Table LWR I-11 presents market shares.

**Table LWR-I-10**
**LWR pipe and tube: Apparent U.S. consumption, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | |
| U.S. producers' U.S. shipments | 523 | 502 | 444 | 493 | 502 | 486 | 455 |
| U.S. imports from-- | | | | | | | |
| Argentina | 0 | ([1]) | 0 | ([1]) | 0 | 0 | 0 |
| Taiwan | ([1]) | ([1]) | ([1]) | 0 | 0 | ([1])([2]) | ([1])([2]) |
| Subtotal | ([1]) | ([1]) | ([1]) | ([1]) | 0 | ([1])([2]) | ([1])([2]) |
| All other sources | 227 | 244 | 224 | 294 | 290 | 277 | 337 |
| Total imports | 227 | 244 | 224 | 294 | 290 | 277 | 338 |
| Apparent U.S. consumption | 749 | 746 | 668 | 787 | 793 | 763 | 792 |
| | **Value (*1,000 dollars*)** | | | | | | |
| U.S. producers' U.S. shipments | 300,825 | 300,848 | 248,309 | 281,200 | 295,385 | 438,222 | 424,831 |
| U.S. imports from-- | | | | | | | |
| Argentina | 0 | 6 | 0 | 7 | 0 | 0 | 0 |
| Taiwan | 132 | 48 | 6 | 0 | 0 | 98[2] | 441[2] |
| Subtotal | 132 | 54 | 6 | 7 | 0 | 98[2] | 441[2] |
| All other sources | 103,032 | 122,291 | 104,642 | 141,019 | 141,739 | 210,700 | 266,654 |
| Total imports | 103,165 | 122,345 | 104,648 | 141,026 | 141,739 | 210,798 | 267,095 |
| Apparent U.S. consumption | 403,990 | 423,193 | 352,957 | 422,226 | 437,124 | 649,020 | 691,926 |

[1] Fewer than 500 short tons.
[2] The U.S. importer and the foreign producer reported no U.S. imports or exports to the United States in 2004 or 2005 corresponding to the Commission's definition of LWR pipe and tube.

Source: Compiled from data submitted in response to Commission's questionnaires and official Commerce statistics.

**Table LWR-I-11**
**LWR pipe and tube: Market shares, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | |
| Apparent U.S. consumption | 749 | 746 | 668 | 787 | 793 | 763 | 792 |
| | **Value (*1,000 dollars*)** | | | | | | |
| Apparent U.S. consumption | 403,990 | 423,193 | 352,957 | 422,226 | 437,124 | 649,020 | 691,926 |
| | **Share of quantity (*percent*)** | | | | | | |
| U.S. producers' U.S. shipments | 69.8 | 67.3 | 66.5 | 62.6 | 63.4 | 63.7 | 57.4 |
| U.S. imports from-- | | | | | | | |
| Argentina | 0.0 | ([1]) | 0.0 | ([1]) | 0.0 | 0.0 | 0.0 |
| Taiwan | ([1]) | ([1]) | ([1]) | 0.0 | 0.0 | ([1])([2]) | ([1])([2]) |
| Subtotal | ([1]) | ([1]) | ([1]) | ([1]) | 0.0 | ([1])([2]) | ([1])([2]) |
| All other sources | 30.2 | 32.7 | 33.5 | 37.4 | 36.6 | 36.3 | 42.6 |
| Total imports | 30.2 | 32.7 | 33.5 | 37.4 | 36.6 | 36.3 | 42.6 |
| | **Share of value (*percent*)** | | | | | | |
| U.S. producers' U.S. shipments | 74.5 | 71.1 | 70.4 | 66.6 | 67.6 | 67.5 | 61.4 |
| U.S. imports from-- | | | | | | | |
| Argentina | 0.0 | ([1]) | 0.0 | ([1]) | 0.0 | 0.0 | 0.0 |
| Taiwan | ([1]) | ([1]) | ([1]) | 0.0 | 0.0 | ([1])([2]) | 0.1[2] |
| Subtotal | ([1]) | ([1]) | ([1]) | ([1]) | 0.0 | ([1])([2]) | 0.1[2] |
| All other sources | 25.5 | 28.9 | 29.6 | 33.4 | 32.4 | 32.5 | 38.5 |
| Total imports | 25.5 | 28.9 | 29.6 | 33.4 | 32.4 | 32.5 | 38.6 |

[1] Less than 0.05 percent.
[2] The U.S. importer and the foreign producer reported no U.S. imports or exports to the United States in 2004 or 2005 corresponding to the Commission's definition of LWR pipe and tube.

Source: Compiled from data submitted in response to Commission's questionnaires and Customs data.

# PART LWR-II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

## U.S. MARKET CHARACTERISTICS

LWR pipe and tube is used in many applications. Uses cited by questionnaire respondents included automotive applications, ornamental fences, display racks, exercise equipment, furniture, bed frames, hand rails, gates, scaffolding, agricultural equipment, mechanical parts, gas grills, carports, and trailers.

Shipments of LWR pipe and tube within the United States are generally directed to distributors with a minority of shipments direct to end users. For U.S. producers, shipments to distributors accounted for between 68.7 and 86.1 percent of shipments during 1999-2005. The two importers of nonsubject LWR pipe and tube that submitted questionnaires reported that all of their shipments went to distributors during 1999-2005.

While four U.S. producers, ***, together accounted for more than *** of U.S. production during 2005, a large share of the market is also supplied by a number of other smaller producers. While there were limited imports from Argentina and Taiwan during the period of review, there were substantial quantities of imports from nonsubject sources including Canada, China, Mexico, and Turkey. Responses from purchaser questionnaires show that buyers typically contact two or more potential suppliers before making a purchase. Purchaser responses also indicate that price is a major purchasing consideration as discussed further along in this section.

While three U.S. producers, ***, consider their market to be national and a fourth firm, ***, sells in all states except Hawaii, all of the other 10 producers generally limit their sales to one or more specific regions. Of these 10 firms, two sell principally in the Southwest, the Rocky Mountain area, the West Coast, and the Northwest; one sells principally in the Rocky Mountain area, the West Coast, and the Northwest; one sells principally on the West Coast; one sells principally in the Southwest and on the West Coast; one sells in the Southwest and Southeast; one sells on the West Coast and in the Northwest; one sells in the Northeast, the Midwest, and the Southeast; one sells in the Mid-Atlantic area, the Midwest, the Southeast, and the Rocky Mountain area; and one sells in the Southwest, the Mid-Atlantic area, the Midwest, and the Southeast. Of the importers from nonsubject countries, one sells in the Northwest and on the West Coast, and the other sells in the Midwest, the Southeast, the Southwest, the Northwest, and on the West Coast.

Delivery lead times for shipments of U.S.-produced LWR pipe and tube vary depending upon whether the product is shipped from inventory or produced to order. For products held in inventory, lead times vary from 1 day to 2 weeks. However, for products produced to order, lead times range from one week to two months.

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. Supply

#### Domestic Industry

Domestic supply responsiveness depends upon such factors as the level of industry capacity utilization, the level of inventories, the availability of export markets, and the flexibility of shifting production equipment to other products.

The available data in these reviews suggests that the U.S. LWR pipe and tube industry is likely to have a high degree of flexibility in expanding output and U.S. shipments in response to an increase in price. The main reasons supporting this degree of supply responsiveness are the low industry capacity utilization rates and the availability of inventories. U.S. producers' capacity utilization rates ranged from a low of 50.3 percent in 2001 to a high of 60.3 percent in 1999. The ratio of end-of-period inventories to

total shipments ranged from *** percent in 1999 to *** percent in 2002. However, the supply responsiveness is constrained by the fact that U.S. producers' export shipments were consistently small during 1999-2005, amounting to less than 3 percent of shipments in each year. When U.S. producers were asked about the ease of shifting sales from the U.S. market to foreign markets, none reported that such a shift would be feasible. Some firms cited such factors as high transportation costs, high tariffs and the high cost of raw materials in the United States that would make it difficult to compete in other markets.

Questionnaire responses indicate that 12 of the 14 responding U.S. producers make other kinds of pipe and tube using the same production equipment and production and related workers employed in making LWR pipe and tube. Circular pipe and tubing were most commonly cited, but other shapes, such as oval, bullet nosed, and d-shaped, fence pipe and tube, square rectangular structural tubing, and forms of pipe such as electrical mechanical tube, and standard and structural pipe were also mentioned. This information suggests that the industry has some flexibility in shifting its product mix.

**U.S. Imports**

The ability of LWR pipe and tube producers from Argentina and Taiwan to increase or decrease shipments of LWR pipe and tube to the U.S. market depends upon such factors as capacity utilization rates, planned expansions in capacity, current inventory levels, current levels of both home market sales and exports to markets other than the United States, and the potential for the diversion of exports from these other markets to the United States.

Very little information is available on the industries in Argentina or Taiwan. There have been no reported imports of LWR pipe and tube in questionnaire responses from either country during 1999-2005. Two firms, Siderar and Tubos Argentinos, provided the Commission with partial questionnaire responses for LWR pipe and tube operations in Argentina.[1] These data indicate capacity of *** short tons annually in 2002-04 and *** short tons in 2005. Total production during those years ranged from *** tons in 2002 to *** tons in 2005. Capacity utilization rates ranged from a low *** percent in *** to a high of *** percent in ***; capacity utilization was *** percent in ***. Total shipments reached *** tons in 2005, with exports accounting for *** tons in that year. Based on the data provided, there is unused capacity with which the responding Argentine producers could increase the production of LWR pipe and tube. However, available data indicate that *** exported LWR pipe and tube to the United States during 1999-2005.

For Taiwan, published capacity data for carbon steel pipe and tube exist for five of seven companies that produce LWR pipe and tube: Far East Machinery Co. Ltd. (159,000 tons), Jaung Yuann Enterprise Co. Ltd. (5,000 tons), Yeun Chiyang (40,000 tons), Yieh Hsing Enterprise Co. (269,000 tons), and Yieh Loong (110,000) tons. Currently, no production or shipments data are available for these mills.[2]

[1] Siderar provided data on Acindar's operations between 2002 and 2005, while Tubos Argentinos provided only trade data on its operations for 2005.

[2] In the case of the other two Taiwan companies, Kounan Steel Co. Ltd and Mayer Steel Corporation, no capacity data are available.

## U.S. Demand

### Demand Characteristics

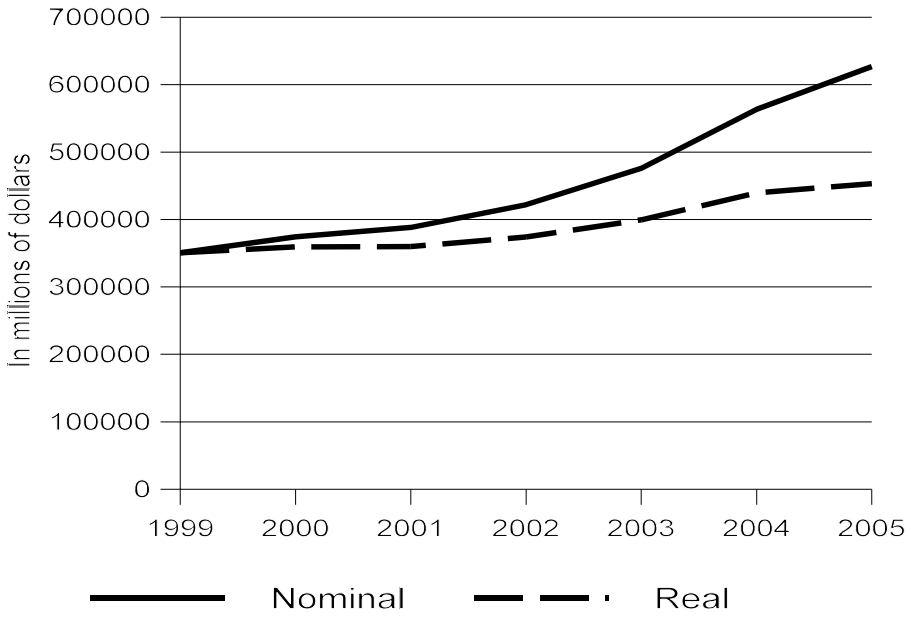
Since LWR pipe and tube is an intermediate product with many end-use applications, including fences, gates, hand rails, furniture, sports equipment, and automotive equipment, the overall demand for LWR pipe and tube is closely linked to the demand for those end-use products. There is also some evidence that the demand is related to the aggregate level of residential construction activity in the United States.[3] Trends in residential construction expenditure in both nominal terms and as adjusted for inflation are presented in figure LWR-II-1. LWR pipe and tube products often account for a substantial share of the final cost of products where they are used as inputs (see cost share discussion below). There are a number of products that can substitute for LWR pipe and tube, although these tend to be suitable in a limited range of end uses.

### Demand Trends

When asked how U.S. demand for LWR pipe and tube had changed since 1999, three of 13 responding U.S. producers reported that demand had increased, three reported that it had decreased, and seven reported that it was unchanged. Those producers that reported a decline in demand attributed the decline to the movement overseas of U.S. manufacturing firms that previously used LWR pipe and tube produced in the United States. In the case of purchasers, nine of 16 responding firms reported that demand for LWR pipe and tube had increased and seven reported that it had remained unchanged. No purchaser reported a decline in demand. Two purchasers that reported an increase in demand attributed the increase to a boom in construction activity. Apparent U.S. consumption data indicate that overall demand in the United States fluctuated during the 1999-2005 period. It ranged from a low of 668,000 short tons in 2001 to a high of 793,000 short tons in 2003. During 2005, apparent U.S. consumption was 792,000 short tons.

[3] At the hearing, petitioners argued that the demand for LWR pipe and tube is related to the level of residential construction because it is often used in products such as ornamental fencing and certain kinds of furniture which are in demand when more homes are being built. Hearing transcript, pp. 53-54 (Schagrin).

**Figure LWR-II-1**
**Construction spending: Total spending on private residential construction in nominal terms and in real terms (adjusted for inflation), 1999-2005**




Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. http://www.census.gov/const/www/c30index.html# .

### Substitute Products

Eight of 14 U.S. producers and 6 of 16 purchasers listed substitutes for LWR pipe and tube. Substitutes mentioned included drawn-over-mandrel, roll formed tube, metal stamping, channels, bar, angles, products made of aluminum, and stainless steel.

### Cost Share

Producers and purchasers were asked to estimate the cost of LWR pipe and tube products as a percentage of the end use products for which they are used as inputs. Seven U.S. producers and one purchaser provided estimates for various products. The available estimates show that LWR pipe and tube often accounts for a substantial share of the final product cost. Estimates ranged from 2 to 5 percent for automotive uses; from 10 to 15 percent for furniture; from 25 to 60 percent for gates and fences; from 15 to 30 percent for gym equipment; and up to 92 percent for carports. Estimates were also made by individual firms for other products including bed frames (1 percent), gas grills (1 percent), playground equipment (90 percent), mechanical parts (50 percent), and trailers (10 percent).

## SUBSTITUTABILITY ISSUES

The degree of substitutability between domestic products and subject imports, between domestic products and nonsubject imports, subject imports from different sources, and subject and nonsubject imports is examined in this section.

Information relating to the substitutability of domestic and imported LWR pipe and tube was obtained from the questionnaire responses of U.S. producers, importers, and purchasers. Thirteen of the

16 responding purchasers reported that they are distributors, one is a manufacturer of carports, one manufactures car trunk hinges, and one produces exercising equipment. Of these 16 firms, five are located in the Gulf region (including Texas and Louisiana) and Oklahoma, three are located in other parts of the South including Tennessee, Alabama, and North Carolina, three are located in the Midwest, including Michigan and Illinois, and five are located in the West including California, Montana, and Utah. Five of the purchasers buy exclusively from domestic sources, four only buy nonsubject imports from Mexico, five buy both U.S.-produced product and imports from nonsubject imports, and two buy U.S.-produced product, a small quantity of imports from Taiwan, and from nonsubject sources.

## Factors Affecting Purchasing Decisions

When asked to rank the three most important factors involved in purchasing decisions, purchasers listed availability and price most frequently, followed by quality. Of the 16 purchasers that responded, a majority ranked availability and price among the top two factors (table LWR-II-1).

**Table LWR-II-1**
**LWR pipe and tube: Ranking of factors used in purchasing decisions as reported by U.S. purchasers**

| Factor | Number of firms reporting | | |
|---|---|---|---|
| | Number one factor | Number two factor | Number three factor |
| Availability | 5 | 3 | 7 |
| Price | 5 | 7 | 3 |
| Quality | 4 | 1 | 3 |
| Other[1] | 2 | 5 | 3 |

[1] Other factors include delivery, past performance, product range, reliability, and traditional supplier.

Source: Compiled from data submitted in response to Commission questionnaires.

In addition to these rankings, purchasers were also asked to report whether the factors shown in table LWR-II-2 are “very important ,” “somewhat important,” or “not very important” in their purchasing decisions. The factors listed by the most firms as “very important” were price (16 firms), availability (15 firms), reliability of supply (14 firms), product consistency (14 firms), overall quality meets industry standards (13 firms), delivery time (13 firms), and delivery terms (12 firms). Other factors with a large number of purchasers reporting the factor as “very important” include U.S. transportation costs (10 firms) and discounts offered (9 firms).

## Comparisons of Domestic Products and Subject Imports

In order to determine whether U.S.-produced LWR pipe and tube can generally be used in the same applications as imports from the subject countries, producers, importers, and purchasers were asked whether the product can “always,” “frequently,”“sometimes,”or “never” be used interchangeably. The results shown in table LWR-II-3 indicate that the majority of questionnaire respondents reported that the products are always or frequently interchangeable, if they were familiar with the imported product (which most purchasers were not).[4]

[4] The importers’ responses shown in the table are from firms that only import from nonsubject countries.

**Table LWR-II-2**
**LWR pipe and tube: Importance of purchasing factors, as reported by U.S. purchasers**

| Factor | Very important | Somewhat important | Not important |
|---|---|---|---|
| | *Number of firms responding* | | |
| Availability | 15 | 1 | 0 |
| Delivery terms | 12 | 4 | 0 |
| Delivery time | 13 | 3 | 0 |
| Discounts offered | 9 | 7 | 0 |
| Extension of credit | 5 | 6 | 5 |
| Price | 16 | 0 | 0 |
| Minimum quantity requirements | 4 | 6 | 6 |
| Packaging | 5 | 8 | 3 |
| Product consistency | 14 | 2 | 0 |
| Quality meets industry standards | 13 | 3 | 0 |
| Quality exceeds industry standards | 4 | 6 | 6 |
| Product range | 6 | 9 | 1 |
| Reliability of supply | 14 | 2 | 0 |
| Technical support/service | 6 | 6 | 4 |
| U.S. transportation costs | 10 | 6 | 0 |

Source: Compiled from data submitted in response to Commission questionnaires.

**Table LWR-II-3**
**LWR pipe and tube: Interchangeability of product from different sources[1]**

| Country comparison | U.S. producers | | | | | U.S. importers | | | | | Purchasers | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | 0 | A | F | S | N | 0 | A | F | S | N | 0 |
| U.S. vs. Argentina | 8 | 3 | 2 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 14 |
| U.S. vs. Taiwan | 8 | 3 | 2 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 13 |
| U.S. vs. nonsubject | 8 | 3 | 1 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 4 | 2 | 1 | 0 | 9 |

[1] Producers, importers, and purchasers were asked if LWR pipe and tube produced in the United States and in other countries is used interchangeably.

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

In addition to questions concerning interchangeability, producers and importers were also asked to compare U.S.-produced products with imports from each of the subject countries in terms of product differences such as quality, availability, product range, and other characteristics. The results shown in table LWR-II-4 show that most questionnaire respondents consider product differences to be sometimes or never significant as a factor affecting sales.

Purchasers also were asked to compare U.S.-produced LWR pipe and tube with imported LWR pipe and tube from Argentina and Taiwan in 15 selected characteristics, noting whether the domestic product was superior, comparable, or inferior to the imported product. Two purchasers provided information which is presented in table LWR-II-5. One purchaser reported that it views the U.S. product as superior to the Taiwan product in terms of availability, delivery terms, delivery time, packaging, product range, and reliability of supply; inferior to the Taiwan product in price; and comparable with regard to all other characteristics. The other purchaser reported that the products are comparable in all

respects. No purchaser compared U.S. LWR pipe and tube with imports of LWR pipe and tube from Argentina.

**Table LWR-II-4**
**LWR pipe and tube: Differences other than price between products from different sources[1]**

| Country comparison | U.S. producers | | | | | U.S. importers | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | 0 | A | F | S | N | 0 |
| U.S. vs. Argentina | 0 | 1 | 5 | 6 | 2 | 0 | 0 | 0 | 1 | 0 |
| U.S. vs. Taiwan | 0 | 1 | 5 | 6 | 2 | 0 | 0 | 0 | 1 | 0 |
| U.S. vs. nonsubject | 0 | 1 | 5 | 5 | 3 | 0 | 0 | 0 | 1 | 0 |

[1] Producers and importers were asked if differences other the price between LWR pipe and tube produced in the United States and in other countries are a significant factor in their firms' sales of LWR pipe and tube.

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

Source: Compiled from data submitted in response to Commission questionnaires.

**Table LWR-II-5**
**LWR pipe and tube: Comparisons between U.S.-produced and subject Taiwan products as reported by two U.S. purchasers**

| Factor | Number of firms reporting | | |
|---|---|---|---|
| | U.S. superior | Comparable | U.S. inferior |
| Availability | 1 | 1 | _ |
| Delivery terms | 1 | 1 | _ |
| Delivery time | 1 | 1 | _ |
| Discounts offered | _ | 2 | _ |
| Extension of Credit | _ | 2 | _ |
| Lower price[1] | _ | 1 | 1 |
| Minimum quantity requirements | _ | 1 | _ |
| Packaging | 1 | 1 | _ |
| Product consistency | _ | 2 | _ |
| Quality meets industry standards | _ | 2 | _ |
| Quality exceeds industry standards | _ | 2 | _ |
| Product range | 1 | 1 | _ |
| Reliability of supply | 1 | 1 | _ |
| Technical support/service | _ | 2 | _ |
| Lower U.S. transportation costs | _ | 2 | _ |

[1] A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the U.S. price generally lower than the Taiwan price.

Source: Compiled from data submitted in response to Commission questionnaires.

## Comparisons of Domestic Products and Nonsubject Imports

In addition to comparing U.S.-produced LWR pipe and tube with imports from the subject countries, producers, importers, and purchasers were also asked to compare the U.S. product with imports

from nonsubject countries in terms of interchangeability and product differences.[5] As shown in table LWR-II-2, a majority of questionnaire respondents reported that the U.S. product is always or frequently interchangeable with imports from nonsubject countries. With regard to product differences, most producers and importers reported that differences are sometimes or never a significant factor in purchasing decisions. In addition to these comparisons, eight purchasers compared the U.S. product with imports from one or more nonsubject countries including China, Korea, Mexico, and Turkey with regard to the 15 characteristics listed in table LWR-II-5. For most of the factors, LWR pipe and tube from the United States was ranked comparable with LWR pipe and tube from each of these countries.

### Subject vs. Nonsubject Imports

Producers and importers were also asked to compare the imported product from the subject countries with imports from nonsubject countries in terms of interchangeability and product differences, and purchasers were asked to compare them in terms of interchangeability. The limited data available from the questionnaire responses indicate that the majority of questionnaire respondents regard the products to be always or frequently interchangeable (table LWR-II-3). In terms of product differences, responses indicates that the differences are sometimes or never significant (table LWR-II-4). One purchaser compared imports from Taiwan with imports from China and Korea with regard to the 15 characteristics shown in table LWR-II-5. This purchaser reported that the product from Taiwan was superior to the product from China in terms of availability, delivery terms, minimum quantity requirements, packaging, product consistency quality exceeding industry standards, product range, and reliability of supply and comparable to China in all other characteristics. This firm reported that imports from Taiwan and Korea were comparable with regard to all specified factors.

### Comparisons of Subject Products From Different Subject Countries

U.S. producers and importers of LWR pipe and tube from all sources were further asked to compare imports from Argentina and Taiwan both in terms of interchangeability and product differences. The limited data available from the questionnaire responses indicates that the majority of questionnaire respondents regard the products to be always or frequently interchangeable. In terms of product differences, responses indicate that the differences are sometimes or never significant.

## ELASTICITY ESTIMATES

This section discusses elasticity estimates for LWR pipe and tube. Parties were encouraged to comment on these estimates as an attachment to their briefs, but they provided no comments.

### U.S. Supply Elasticity[6]

The domestic supply elasticity for LWR pipe and tube measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price for LWR pipe and tube. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced LWR pipe and tube. Because of the low rates of industry capacity utilization and the availability of inventories it is likely that this elasticity is high; an estimate in the range of 5 to 10 is suggested.

---

[5] Purchasers were only asked to discuss interchangeability.

[6] A supply function is not defined in the case of a non-competitive market.

## U.S. Demand Elasticity

The U.S. demand elasticity for LWR pipe and tube measures the sensitivity of the overall quantity demanded to changes in the U.S. market price for LWR pipe and tube. This estimate depends on the factors discussed earlier, such as the existence, availability, and commercial viability of substitute products and the relative cost share of LWR pipe and tube. Based on available information, a demand elasticity in the range of 0.75 to 1.25 is reasonable.

## Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products. Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on the information available, the elasticity of substitution between U.S.-produced LWR pipe and tube and LWR pipe and tube imported from Argentina[7] and Taiwan is estimated to be in the range of 3 to 5.

[7] There are no known imports of LWR pipe and tube entering the United States from Argentina at the present time.

# PART LWR-III: CONDITION OF THE U.S. INDUSTRY

The information in this section of the report was compiled from responses to the Commission's questionnaires. Fourteen firms, which accounted for the majority of U.S. production of LWR pipes and tubes during the period under review, supplied information on their operations. U.S. producer, ***, did not provide the Commission with data on its operations.

## U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

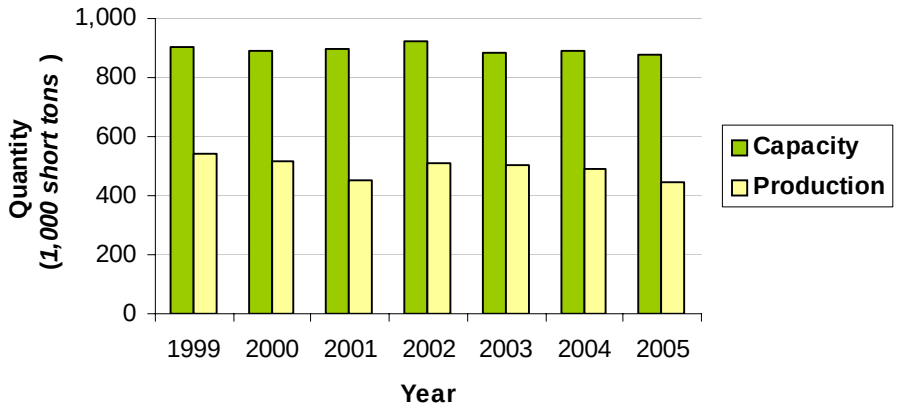
Table LWR-III-1 presents data concerning capacity, production, and capacity utilization for domestic producers of LWR pipes and tubes. Figure LWR-III-1 graphically presents data concerning capacity and production.

**Table LWR-III-1**
**LWR pipe and tube: U.S. production capacity, production, and capacity utilization, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Capacity (*1,000 short tons*) | 901 | 893 | 894 | 924 | 883 | 891 | 886 |
| Production (*1,000 short tons*) | 544 | 518 | 450 | 507 | 503 | 488 | 451 |
| Capacity utilization (*percent*) | 60.3 | 58.0 | 50.3 | 54.8 | 57.0 | 54.8 | 50.9 |

Source: Compiled from data submitted in response to Commission questionnaires.

**Figure LWR-III-1**
**LWR pipe and tube: U.S. capacity and production, 1999-2005**




Source: Table LWR-III-1.

During the period under review, Maverick exited the LWR industry ***.[1] Additionally, Atlas ***.[2] Most U.S. producers of LWR pipe and tube produced multiple tubing products on the same machinery as that used to produce LWR pipe and tube, including circular welded pipe and tube, but also square, oval, bullet-nosed, and d-shaped pipe and tube. In addition, some of the firms manufacture nonsubject structural tubing and roll form shapes, such as heavy-walled rectangular pipe and tube.

[1] Staff telephone interview, ***, April 29, 2006.

[2] Atlas ***. Additionally, Copperweld provided data in a previous import injury investigation, which were utilized in these reviews.

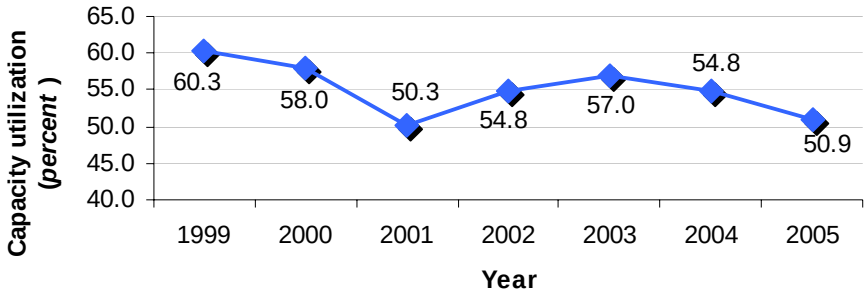
Production capacity decreased gradually over the period reviewed with some fluctuation upwards in the middle part of the period. In a given year, two or three firms typically reported increased capacity for their LWR pipe and tube lines versus one or two reporting a decrease in their LWR pipe and tube capacity.

Although there was little consolidation of the industry between 1999 and 2005, shifts in production did occur. In mid-2005, Atlas acquired Maverick's LWR pipe and tube business; ***. Additionally, as discussed earlier, Altas ***. The largest producer of LWR pipe and tube, ***, maintained its overall share of U.S. production between 1999 and 2005, even as it ***. *** all increased production in aggregate by approximately 24,000 short tons comparing 2005 with 1999 and each held slightly larger shares of production in 2005 than in 1999. The other *** firms with continuous operations reduced production in aggregate by more than 117,000 short tons.

Production of LWR pipe and tube in the United States decreased between 1999 and 2001, increased between 2001 and 2002, and then decreased between 2002 and 2005 (*see* table LWR-III-1). U.S. producers most often cited China, a nonsubject country, as the growth source of LWR pipe and tube in the United States, and four of the responding producers indicated that LWR pipe and tube from China was underselling U.S.-produced LWR pipe and tube and either accounted for the industry's decrease in production or for their firm's operating margins for the review period.

Given the relatively level overall capacity for the LWR industry over the period of these reviews and the fluctuations downward in production, capacity utilization for the industry generally reflected the declining trends in actual production. Figure LWR-III-2 graphically presents information on the capacity utilization at the U.S. producers' LWR pipe and tube facilities. In 2005, the industry experienced its second lowest capacity utilization rate during the period for which data were collected, roughly equivalent to the lowest capacity utilization experienced in 2001.

**Figure LWR-III-2**
**LWR pipe and tube: Capacity utilization, 1999-2005**




Source: Table LWR-III-1.

The category of LWR pipe and tube encompasses a wide variety of different pipe products whose specifications depend on end use, such as automotive seat frames, bed frames, car ports, fitness equipment, gas grills, mechanical pasts, ornamental fencing, playground equipment, scaffolding, school furniture, racks, railing, tools, and trailers. Due to the end-use oriented nature of the manufacture of LWR pipe and tube, capacity constraints were identified most often by U.S. producers as the most important constraint on their production.[3] Despite the relatively low reported capacity utilization for the

[3] Quantifying production capacity is difficult. Most U.S. producers reported a percentage of their raw pipe and tube welding capacity based on product mix for LWR pipe and tube products out of their overall pipe and tube operations as their average production capacity. This reflects the fact that pipe and tube mills first produce circular welded pipe, and then pass (continuously) this circular pipe through additional processing to produce the rectangular

(continued...)

industry, U.S. producers' capacity constraints related to specific end-use specifications (finishing, gauge sizes, pipe diameters, *etc.*), as opposed to their raw tube producing capacity.[4] After capacity constraints, two U.S. producers of LWR pipe and tube indicated that raw material inputs were a constraining factor, one U.S. producer cited import competition from nonsubject sources, namely China, and one U.S. producer cited general market conditions as a constraint to production.

Table LWR-III-2 presents information on U.S. producers' other pipe mill operations. Between 1999 and 2005, U.S. producers of LWR pipe and tube gradually decreased their production of circular welded pipe and tube. Between 1999 and 2001 U.S. producers decreased production of "other pipe," which includes round mechanical tubing, other non-circular and non-rectangular tubing, and heavy-walled rectangular pipe and tube; they, then, subsequently increased production of these products. *** the two firms that produced OCTG and line pipe in the period reviewed increased the production of these categories of pipe; however, one of these firms*** will cease production of all LWR pipe and tube when ***.

**Table LWR-III-2**
**Welded pipe and tube: Overall pipe operations, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (*1,000 short tons*) | | | | | | |
| Total production capacity | 4,523 | 4,557 | 4,647 | 4,852 | 4,795 | 4,850 | 4,863 |
| Production of: | | | | | | | |
| LWR pipe and tube | 544 | 518 | 450 | 507 | 503 | 488 | 452 |
| Circular welded pipe and tube:[1] | | | | | | | |
| greater than 16" O. D. | *** | *** | *** | *** | *** | *** | *** |
| between 4.5" and 16" O.D. | 578 | 523 | 526 | 537 | 444 | 438 | 436 |
| less than 4.5" O.D. | 212 | 210 | 196 | 180 | 189 | 184 | 192 |
| Line pipe:[2] | | | | | | | |
| single stencil | *** | *** | *** | *** | *** | *** | *** |
| multiple stencil | *** | *** | *** | *** | *** | *** | *** |
| OCTG[3] | *** | *** | *** | *** | *** | *** | *** |
| Other[4] | 1,417 | 1,422 | 1,253 | 1,296 | 1,367 | 1,375 | 1,371 |
| Total production | 2,911 | 3,052 | 2,846 | 2,882 | 3,058 | 3,086 | 3,103 |

Table continued on next page.

[3] (...continued)
products. The flattening of the circular pipe into rectangular pipe (through the use of guages) is only one of the additional steps for producing LWR pipe and tube. Depending on the end use, U.S. producers have to further process the rectangular material to the specifications needed in the end use. Thus, despite capacity utilization below 100 percent, production might still be capacity constrained based on finishing or processing capacities.

[4] The domestic interested parties testified that there are fewer finishing constraints (coupling, threading, *etc.*) in LWR pipe and tube production than in circular welded pipe and tube production. Hearing transcript, pp. 149-150 (Mr. Schagrin). Staff notes, however, that LWR producer questionnaire responses still indicate the existence of finishing and processing capacity constraints not necessarily related to threading or coupling, such as: O.D., guage, and size ***; physical capacity and size range ***; machine capacity ***; batch preparation and processing ***; welded, tooling, cut-off ***; slitting capacity and the tube mills themselves ***; and, equipment limitation ***. These firms accounted for *** percent of production in 2005, and had in aggregate a capacity utilization rate of *** percent; while the other firms that did not report production-related capacity constraints had an aggregate capacity utilization of *** percent.

**Table LWR-III-2--*Continued***
**Welded pipe and tube: Overall pipe operations, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Ratio (*percent*) | | | | | | |
| Capacity utilization, all pipe | 64.4 | 67.0 | 61.3 | 59.4 | 63.8 | 63.6 | 63.8 |
| Capacity utilization, LWR pipe[5] | 60.3 | 58.0 | 50.3 | 54.8 | 57.0 | 54.8 | 50.9 |

[1] Circular welded pipe and tube producers: ***. These *** producers accounted for *** percent of production of LWR pipe and tube in 2005.
[2] Line pipe producers: ***. These *** producers accounted for *** percent of production of LWR pipe and tube in 2005. ***.
[3] OCTG producers: ***. These *** producers accounted for *** percent of production of LWR pipe and tube in 2005.
[4] Other pipe producers: ***. These *** producers accounted for *** percent of production of LWR pipe and tube in 2005.
[5] As reported in table LWR-III-1.

Note.--These data differ from the prehearing staff report because of (i) ***, (ii) revisions to capacity submitted by the domestic interested parties, specifically ***, (iii) the inclusion of data on Copperweld operations prior to 2003, and (iv) staff revisions to select U.S. producers' LWR pipe and tube capacity figures to reflect product mix allocations. *See* staff notes "Capacity Utilization Changes Following Hearing" for a more detailed description of changes made.

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Table LWR-III-3 presents data on U.S. producers' shipments by type. Over the period under review, U.S. producers' U.S. shipments by quantity followed the same general pattern as their production: first decreasing between 1999 and 2001, then increasing between 2001 and 2003, and finally decreasing between 2003 and 2005. U.S. producers' U.S. shipments of LWR pipe and tube did not increase by quantity in 2004 as average unit values increased. The average unit value of U.S. producers' U.S. shipments increased by approximately 60 percent between 2003 and 2005. Over the same period the U.S. Department of Labor's Producer Price Index ("PPI") for steel mill products, which includes but is not limited to steel pipe and tube mills, increased from 109.5 in 2003 to 159.7 in 2005, which confirms the data reported and indicates that the price increases were not limited to the industry subject to these reviews.[5] U.S. producers' average unit values increased in response to increases in raw material inputs, mainly hot-rolled steel coils (another steel mill product), and energy costs, discussed in greater detail below.

[5] The Department of Labor's PPI for steel mill products, includes products such as steel hot-rolled coils, a raw material input for steel pipe and tube.

**Table LWR-III-3**
**LWR pipe and tube: U.S. producers' shipments, by type, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| **Quantity (*1,000 short tons*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | 523 | 502 | 444 | 493 | 502 | 486 | 455 |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | *** | *** | *** | *** | *** | *** | *** |
| **Value (*1,000 dollars*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | 300,825 | 300,848 | 248,309 | 281,200 | 295,385 | 438,222 | 424,831 |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | *** | *** | *** | *** | *** | *** | *** |
| **Unit value (*per short ton*)** | | | | | | | |
| Commercial shipments | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | 576 | 600 | 559 | 570 | 588 | 902 | 934 |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Average | *** | *** | *** | *** | *** | *** | *** |
| **Share of quantity (*percent*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Share of value (*percent*)** | | | | | | | |
| Commercial shipments | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments | *** | *** | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** | *** | *** |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

[1] Not applicable. {*Instances of this footnote were removed from the table due to confidentiality treatment*}.

Source: Compiled from data submitted in response to Commission questionnaires.

## U.S. PRODUCERS' INVENTORIES

Table LWR-III-4 presents data on U.S. producers' inventories of LWR pipes and tubes. U.S. producers maintain inventories which account, on average, for approximately 12 to 15 percent of their production over the period reviewed. The maintenance of these inventories relates to the batch nature of LWR pipe and tube production and the fact that all U.S. producers of LWR pipe and tube also produce other types of steel pipe products on the mills that produce LWR pipe and tube. Major distributors of LWR pipe and tube also maintain inventories of the more standardized LWR pipe and tube products, such as fencing and railing. Since U.S. producers sell approximately three-fourths of their U.S. shipments to distributors, end users often have multiple layers of inventories between them and the production of LWR pipes and tubes. For several of the end uses of LWR pipe and tube, however, U.S. producers ship material directly to end users, based on end-use specific specifications. In these instances, only the U.S. producer or end user would have inventories.

**Table LWR-III-4**
**LWR pipe and tube: U.S. producers' inventories, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*1,000 short tons*)** | | | | | | |
| Inventories | 66 | 73 | 66 | 73 | 69 | 66 | 60 |
| | **Ratio (*percent*)** | | | | | | |
| Ratio to production | 12.1 | 14.0 | 14.7 | 14.5 | 13.8 | 13.5 | 13.4 |
| Ratio to U.S. shipments | 12.6 | 14.5 | 14.9 | 14.9 | 13.8 | 13.6 | 13.3 |
| Ratio to total shipments | *** | *** | *** | *** | *** | *** | *** |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | |

## U.S. PRODUCERS' PURCHASES

None of the U.S. producers of LWR pipe and tube reported purchases of imported LWR pipe and tube from subject sources. Only one U.S. producer, ***, reported purchases of nonsubject imports ***, and then only minimal quantities to supplement that firm's existing capacity. No U.S. producer reported purchases of product from other U.S. producers. Overall U.S. producers' purchases were minimal, accounting for less than *** percent of their production in a given year. Table LWR-III-5 presents data on U.S. producers' purchases of LWR pipes and tubes.

**Table LWR-III-5**
**LWR pipe and tube: U.S. producers' purchases, 1999-2005**

* * * * * * *

## U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table LWR-III-6 presents data on U.S. producers' employment, wages, and productivity.

**Table LWR-III-6**
**LWR pipe and tube: U.S. producers' employment, wages, and productivity, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Production and related workers (*number*) | 1,093 | 1,050 | 978 | 1,058 | 1,099 | 1,068 | 1,059 |
| Hours worked (*1,000*) | 1,807 | 1,766 | 1,559 | 1,680 | 1,998 | 1,866 | 1,770 |
| Wages paid (*$1,000*) | 28,178 | 27,048 | 25,256 | 29,610 | 34,092 | 34,009 | 32,998 |
| Hourly wages | $15.59 | $15.32 | $16.20 | $17.63 | $17.07 | $18.22 | $18.64 |
| Productivity (*short tons per hour*) | 0.301 | 0.293 | 0.288 | 0.302 | 0.252 | 0.261 | 0.255 |
| Unit labor costs (*per short ton*) | $51.81 | $52.19 | $56.17 | $58.45 | $67.79 | $69.70 | $73.19 |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | |

Over the period under review, employment measured by PRWs remained relatively stable. PRWs declined between 1999 and 2001 without any single firm leading the trend, and then increased in 2002. ***. Productivity was relatively stable between 1999 and 2002, and again between 2003 and 2005; the difference between these two periods reflects ***. Unit labor costs also increased in 2003 as ***. Between 2003 and 2005, U.S. producers reduced the number of PRWs each year, while at the same time the hourly wages for these employees increased. Overall, U.S. producers' labor costs per short ton of LWR pipe and tube increased over the review period in line with wage increases.

## FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

### Background

Fourteen U.S. producers provided usable financial data on their operations on LWR pipe and tube. These data account for the majority of U.S. production of LWR pipe and tube in 2005.[6] [7] No firms reported internal consumption; however, *** reported transfers to related firms. The reported transfers accounted for less than *** percent of the quantity and value of reported net sales in each period for which data were requested. Accordingly, these affiliated party transactions are not presented separately in this section of the report.

### Operations on LWR Pipe and Tube

Income-and-loss data for U.S. producers on their operations on LWR pipe and tube are presented in table LWR-III-7. Selected financial data, by firm, are presented in table LWR-III-8. The domestic industry's operating income generally declined from 1999 to 2003, rebounded sharply in 2004, then declined once again in 2005. Despite this decline, however, operating income was at its second highest level during the review period in 2005. Net sales quantities declined from 1999 to 2001 by 16 percent, increased from 2001 to 2003 by 21 percent, then declined again from 2003 to 2005 by 10 percent. Net sales values declined from 1999 to 2001 by 19 percent, then increased from 2001 to 2004 by 89 percent

[6] The producers and their fiscal year ends if other than December 31 are: Allied (September 29), Atlas, Bull Moose, CSI, Hanna, Hannibal (March 31), Leavitt Tube, Leggett & Platt, Maruichi, Maverick, Northwest, Searing (February 28), Vest (January 31), and Western Tube. Although some firms have a fiscal year that differs from the calendar year, all firms appear to have reported on a calendar year basis.

[7] Data for *** are available only for 2003-05.

before declining somewhat in 2005 by 3 percent. From 1999 to 2003, the increase in unit cost of goods sold ($43 per short ton) and small increase in unit selling, general, and administrative expenses were greater than the increase in net sales value ($7 per short ton). The declines in operating income cut across the vast majority of the industry, as 12 of 13 producers operating continuously from 1999 to 2003 reported a general decrease in operating profits.

**Table LWR-III-7**
**LWR pipe and tube: Results of operations of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| **Quantity (*1,000 short tons*)** | | | | | | | |
| Total net sales | 499 | 477 | 421 | 467 | 509 | 490 | 458 |
| **Value (*$1,000*)** | | | | | | | |
| Total net sales | 288,564 | 288,059 | 234,075 | 265,797 | 297,840 | 441,580 | 428,401 |
| Cost of goods sold | 226,206 | 233,531 | 188,135 | 210,432 | 252,677 | 337,733 | 356,747 |
| Gross profit or (loss) | 62,358 | 54,528 | 45,940 | 55,365 | 45,163 | 103,847 | 71,654 |
| SG&A expenses | 22,166 | 22,804 | 22,089 | 24,374 | 23,682 | 30,408 | 26,978 |
| Operating income | 40,192 | 31,724 | 23,851 | 30,991 | 21,481 | 73,438 | 44,677 |
| Interest expense | 4,247 | 4,580 | 3,576 | 3,027 | 3,360 | 2,806 | 2,559 |
| CDSOA income | 0 | 0 | 24 | 104 | 53 | 145 | 136 |
| Other income/(expense), net | (2,655) | (1,441) | (2,346) | 95 | (1,877) | 148 | (1,637) |
| Net income | 33,290 | 25,703 | 17,953 | 28,163 | 16,296 | 70,926 | 40,617 |
| Depreciation/amortization | 9,540 | 8,924 | 8,482 | 7,864 | 8,744 | 7,813 | 7,841 |
| Cash flow | 42,830 | 34,627 | 26,435 | 36,027 | 25,041 | 78,738 | 48,458 |
| **Ratio to net sales (*percent*)** | | | | | | | |
| Cost of goods sold: | | | | | | | |
| Raw materials | 59.6 | 61.5 | 57.2 | 57.8 | 64.5 | 60.5 | 67.3 |
| Direct labor | 6.3 | 6.1 | 7.1 | 6.8 | 6.2 | 4.4 | 4.3 |
| Other factory costs | 12.5 | 13.5 | 16.1 | 14.6 | 14.1 | 11.6 | 11.7 |
| Total cost of goods sold | 78.4 | 81.1 | 80.4 | 79.2 | 84.8 | 76.5 | 83.3 |
| Gross profit | 21.6 | 18.9 | 19.6 | 20.8 | 15.2 | 23.5 | 16.7 |
| SG&A expenses | 7.7 | 7.9 | 9.4 | 9.2 | 8.0 | 6.9 | 6.3 |
| Operating income | 13.9 | 11.0 | 10.2 | 11.7 | 7.2 | 16.6 | 10.4 |
| Net income | 11.5 | 8.9 | 7.7 | 10.6 | 5.5 | 16.1 | 9.5 |

Table continued on next page.

**Table LWR-III-7--C*ontinued***
**LWR pipe and tube: Results of operations of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Unit value (*per short ton*) | | | | | | |
| Total net sales | $578 | $604 | $557 | $569 | $585 | $901 | $936 |
| Cost of goods sold: | | | | | | | |
| Raw materials | 345 | 372 | 318 | 328 | 377 | 545 | 631 |
| Direct labor | 36 | 37 | 39 | 39 | 36 | 40 | 40 |
| Other factory costs | 72 | 82 | 90 | 83 | 83 | 105 | 109 |
| Total cost of goods sold | 453 | 490 | 447 | 450 | 496 | 689 | 780 |
| Gross profit | 125 | 114 | 109 | 118 | 89 | 212 | 157 |
| SG&A expenses | 44 | 48 | 53 | 52 | 47 | 62 | 59 |
| Operating income | 81 | 67 | 57 | 66 | 42 | 150 | 98 |
| Net income | 67 | 54 | 43 | 60 | 32 | 145 | 89 |
| | Number of firms reporting | | | | | | |
| Operating losses | 0 | 2 | 2 | 1 | 2 | 0 | 1 |
| Data | 13 | 13 | 13 | 13 | 14 | 14 | 14 |

Source: Compiled from data submitted in response to Commission questionnaires.

The industry-wide financial decline reversed in 2004. Per-unit operating income substantially improved as the increase in per-unit net sales values ($316 per short ton) was much greater than the increase in unit COGS ($193 per short ton) and SG&A expenses ($16 per short ton) combined. As with the 1999 to 2003 decline, the 2003 to 2004 increase cut across the industry, as 13 of 14 producers reported increased operating profits.

In 2005, the domestic industry's decline in net sales quantities, coupled with the increase in unit COGS ($91 per short ton), was greater than the increase in net sales value ($35 per short ton) and decline in SG&A expenses ($3 per short ton). As a result, the majority (11 of 14) of U.S. producers experienced lower operating income, although only one producer reported an operating loss. From 2003 to 2005, the increase in COGS is due primarily to the increase in raw material costs. During this time, unit raw material costs increased by 67 percent, while unit direct labor and other factory costs combined increased by 25 percent.

**Table LWR-III-8**
**LWR pipe and tube: Results of operations of U.S. producers, by firm, 1999-2005**

* * * * * * *

A variance analysis for LWR pipe and tube is presented in table LWR-III-9. The information for this variance analysis is derived from table LWR-III-7. The variance analysis provides an assessment of changes in profitability as it relates to changes in pricing, cost, and volume. The analysis shows that the increase in operating income from 1999 to 2005 is primarily attributable to the favorable price variance, which was largely offset by the unfavorable net cost/expense variance (that is, prices showed a greater increase than expenses).

**Table LWR-III-9**
**LWR pipe and tube: Variance analysis on operations of U.S. producers, 1999-2005**

| Item | Between fiscal years | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999-2005 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
| | Value (*$1,000*) | | | | | | |
| Total net sales: | | | | | | | |
| Price variance | 163,927 | 12,562 | (20,096) | 5,647 | 8,384 | 154,742 | 16,231 |
| Volume variance | (24,090) | (13,067) | (33,888) | 26,074 | 23,659 | (11,002) | (29,409) |
| Total net sales variance | 139,837 | (505) | (53,984) | 31,721 | 32,043 | 143,740 | (13,179) |
| Cost of sales: | | | | | | | |
| Cost variance | (149,425) | (17,567) | 17,922 | (1,340) | (23,514) | (94,390) | (41,507) |
| Volume variance | 18,884 | 10,243 | 27,473 | (20,957) | (18,731) | 9,334 | 22,493 |
| Total cost variance | (130,541) | (7,324) | 45,395 | (22,296) | (42,245) | (85,057) | (19,014) |
| Gross profit variance | 9,297 | (7,830) | (8,588) | 9,425 | (10,202) | 58,684 | (32,192) |
| SG&A expenses: | | | | | | | |
| Expense variance | (6,662) | (1,642) | (1,967) | 176 | 2,861 | (7,601) | 1,405 |
| Volume variance | 1,850 | 1,004 | 2,683 | (2,461) | (2,170) | 875 | 2,025 |
| Total SG&A variance | (4,812) | (638) | 715 | (2,285) | 692 | (6,726) | 3,431 |
| Operating income variance | 4,485 | (8,468) | (7,873) | 7,140 | (9,510) | 51,958 | (28,762) |
| Summarized as: | | | | | | | |
| Price variance | 163,927 | 12,562 | (20,096) | 5,647 | 8,384 | 154,742 | 16,231 |
| Net cost/expense variance | (156,087) | (19,209) | 15,955 | (1,164) | (20,653) | (101,991) | (40,101) |
| Net volume variance | (3,355) | (1,820) | (3,732) | 2,657 | 2,759 | (793) | (4,891) |

Note.-- Unfavorable variances are shown in parentheses; all others are favorable.

Source: Compiled from data submitted in response to Commission questionnaires.

## Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures and research and development expenses are shown in table LWR-III-10. Aggregate capital expenditures and R&D irregularly increased from 1999 to 2003, then generally declined through 2005. No particular firm accounted for the majority of reported capital expenditures during the reporting period. In total, all 14 firms reported capital expenditure data and two firms (***) reported R&D data.

**Table LWR-III-10**
**LWR pipe and tube: Capital expenditures and research and development expenses of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Value (*$1,000*) | | | | | | |
| Capital expenditures | 7,698 | 8,578 | 7,727 | 5,768 | 10,842 | 9,973 | 7,434 |
| R&D expenses | *** | *** | *** | *** | *** | *** | *** |

Source: Compiled from data submitted in response to Commission questionnaires.

## Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of LWR pipe and tube to compute return on investment. Although ROI can be computed in many different ways, a commonly used method is income divided by total assets. Therefore, ROI is calculated as operating income divided by total assets used in the production, warehousing, and sale of LWR pipe and tube.

Data on the U.S. LWR pipe and tube producers' total assets and their ROI are presented in table LWR-III-11. The total assets utilized in the production, warehousing, and sale of LWR pipe and tube increased irregularly from $235 million in 1999 to $259 million in 2005. The ROI ranged between 9.2 percent in 2003 and 26.4 percent in 2004, but overall increased slightly and irregularly from 17.1 percent in 1999 to 17.3 percent in 2005.

**Table LWR-III-11**
**LWR pipe and tube: Value of assets and return on investment of U.S. producers, 1999-2005**

| Item | Fiscal year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| **Value of assets:** | **Value (*$1,000*)** | | | | | | |
| Current assets: | | | | | | | |
| Cash and equivalents | 7,215 | 8,677 | 8,687 | 10,085 | 9,534 | 10,990 | 25,210 |
| Accounts receivable, net | 38,336 | 43,246 | 38,936 | 42,661 | 50,216 | 62,144 | 62,856 |
| Inventories (finished goods) | 29,830 | 39,995 | 32,508 | 40,923 | 37,019 | 46,922 | 43,205 |
| Inventories (raw materials and work in process) | 42,933 | 42,344 | 34,325 | 42,455 | 33,819 | 65,224 | 36,921 |
| Other | 3,951 | 5,378 | 6,608 | 5,699 | 5,161 | 9,974 | 12,691 |
| Total current assets | 122,265 | 139,640 | 121,064 | 141,823 | 135,749 | 195,254 | 180,883 |
| Property, plant and equipment: | | | | | | | |
| Original cost | 190,102 | 197,201 | 183,345 | 194,492 | 210,204 | 202,229 | 205,834 |
| Less: Accumulated depreciation | 86,902 | 94,995 | 98,727 | 110,149 | 119,647 | 124,807 | 134,455 |
| Equals: Book value | 103,200 | 102,206 | 84,618 | 84,343 | 90,557 | 77,422 | 71,379 |
| Other non-current assets | 9,463 | 7,020 | 5,739 | 6,224 | 6,067 | 5,496 | 6,300 |
| Total assets | 234,928 | 248,866 | 211,421 | 232,390 | 232,373 | 278,172 | 258,562 |
| | | | | | | | |
| Operating income or (loss) | 40,192 | 31,724 | 23,851 | 30,991 | 21,481 | 73,438 | 44,677 |
| | **Share *(percent)*** | | | | | | |
| Return on investment | 17.1 | 12.7 | 11.3 | 13.3 | 9.2 | 26.4 | 17.3 |

Source: Compiled from data submitted in response to Commission questionnaires.

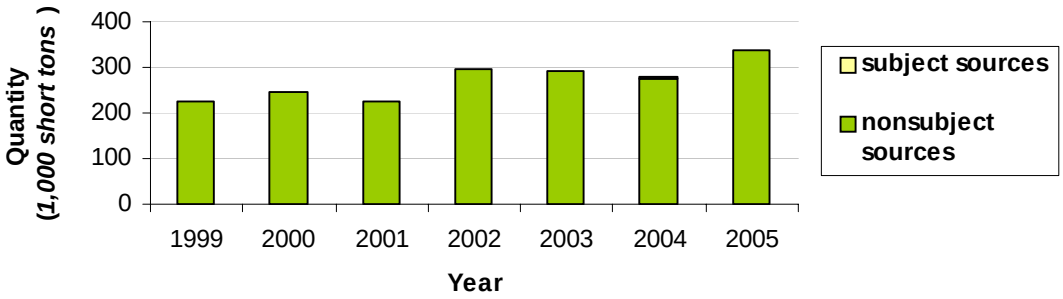
# PART LWR-IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

## U.S. IMPORTS

The Commission sent questionnaires to 13 firms believed to have imported LWR pipe and tube between 1999 and 2005, and received usable data from two firms, ***, while three firms indicated that they were not importing LWR pipe and tube.[1] Based on official Commerce statistics for imports of LWR pipe and tube, firms providing usable data to the Commission's questionnaire accounted for 0 percent of imports from subject sources in the period under review.[2] Import data in Part LWR-IV are derived from official Commerce statistics for LWR pipe and tube, except when distinguishing between "dutied" and "non-dutied" imports from Argentina and Taiwan (discussed below).

Table LWR-IV-1 presents information on imports of LWR pipe and tube from each of the subject countries and from all nonsubject countries for the period 1999-2005. Figure LWR-IV-1 graphically presents information on U.S. imports of LWR pipe and tube by source.

**Figure LWR-IV-1**
**LWR pipe and tube: U.S. imports, by source, 1999-2005**




Source: Table LWR-IV-1.

There are currently antidumping duty orders on imports of LWR pipe and tube from Argentina and Taiwan ("subject sources"). As such, *** against imports of LWR pipes and tubes into the United States from these countries over the review period. Staff has compiled data on those entries on which cash deposits have been collected in relation to the antidumping duty orders in these reviews ("dutied" imports) versus those entries against which cash deposits have not been collected ("not dutied" imports). ***. ***. Table LWR-IV-2 presents information on dutied and not dutied U.S. imports of LWR pipe and tube based on data from Customs. Figure LWR-IV-2 graphically presents information on dutied and non-dutied imports from all subject sources combined.

---

[1] Following the public hearing, staff contacted five additional known importers of LWR pipe and tube from nonsubject sources. None of these importers provided the Commission with a completed questionnaire response.

[2] Staff notes that with *** importer's questionnaire response indicating that it had not imported LWR pipe and tube (as defined by the Commission) between 1999 and 2005, and with *** foreign producer's questionnaire response (the Taiwan manufacturer of *** imports) indicating the same, the Commission received questionnaire responses that accounted for approximately 72 percent of all imports of merchandise entered under HTS statistical reporting number 7306.60.5000 from Taiwan during this period. These quantities were not backed out of the official Commerce statistics, however, staff has footnoted these data as appropriate. Additionally, staff notes that official Commerce statistics were retained for use as subject imports in lieu of Customs data on dutied imports (as was used for circular welded pipe and tube) because statistical reporting number 7303.60.5000 corresponds closely to the definition of the subject merchandise in this instance and information on the record does not indicate that nonsubject product is routinely included in these imports.

**Table LWR-IV-1**
**LWR pipe and tube: U.S. imports, by source, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*short tons*)[1]** | | | | | | |
| Argentina | 0 | 3 | 0 | 14 | 0 | 0 | 0 |
| Taiwan | 77 | 23 | 13 | 0 | 0 | 59 | 277 |
| Subtotal, subject | 77 | 26 | 13 | 14 | 0 | 59 | 277 |
| Canada | 86,485 | 76,654 | 61,326 | 64,995 | 72,335 | 77,644 | 76,231 |
| China | 238 | 258 | 1,266 | 3,864 | 4,004 | 8,859 | 40,801 |
| Mexico | 102,896 | 105,850 | 102,147 | 144,593 | 154,007 | 132,370 | 156,263 |
| All other sources | 36,888 | 61,072 | 59,063 | 80,692 | 59,995 | 58,178 | 64,031 |
| Subtotal, nonsubject | 226,507 | 243,835 | 223,802 | 294,144 | 290,341 | 277,052 | 337,327 |
| Total | 226,585 | 243,861 | 223,816 | 294,158 | 290,341 | 277,110 | 337,603 |
| | **Value (*1,000 dollars*)** | | | | | | |
| Argentina | 0 | 6 | 0 | 7 | 0 | 0 | 0 |
| Taiwan | 132 | 48 | 6 | 0 | 0 | 98 | 441 |
| Subtotal, subject | 132 | 54 | 6 | 7 | 0 | 98 | 441 |
| Canada | 42,227 | 40,258 | 29,733 | 33,881 | 35,981 | 68,424 | 69,074 |
| China | 98 | 310 | 471 | 1,371 | 1,669 | 5,849 | 28,293 |
| Mexico | 45,015 | 52,900 | 49,778 | 73,643 | 75,815 | 98,041 | 122,203 |
| All other sources | 15,693 | 28,824 | 24,659 | 32,124 | 28,273 | 38,387 | 47,084 |
| Subtotal, nonsubject | 103,032 | 122,291 | 104,642 | 141,019 | 141,739 | 210,700 | 266,654 |
| Total | 103,165 | 122,345 | 104,648 | 141,026 | 141,739 | 210,798 | 267,095 |
| | **Unit value (*per short ton*)** | | | | | | |
| Argentina | ([2]) | $2,068 | ([2]) | $483 | ([2]) | ([2]) | ([2]) |
| Taiwan | $1,713 | 2,062 | $484 | ([2]) | ([2]) | $1,661 | $1,592 |
| Subaverage, subject | 1,713 | 2,063 | 484 | 483 | ([2]) | 1,661 | 1,592 |
| Canada | 488 | 525 | 485 | 521 | $497 | 881 | 906 |
| China | 410 | 1,198 | 372 | 355 | 417 | 660 | 693 |
| Mexico | 437 | 500 | 487 | 509 | 492 | 741 | 782 |
| All other sources | 425 | 472 | 418 | 398 | 471 | 660 | 735 |
| Subaverage, nonsubject | 455 | 502 | 468 | 479 | 488 | 761 | 790 |
| Average | 455 | 502 | 468 | 479 | 488 | 761 | 791 |

Table continued on next page. Notes and footnotes at the end of the table.

**Table LWR-IV-1--*Continued***
**LWR pipe and tube: U.S. imports, by source, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Share of quantity (*percent*)** | | | | | | |
| Argentina | 0.0 | ([3]) | 0.0 | ([3]) | 0.0 | 0.0 | 0.0 |
| Taiwan | ([3]) | ([3]) | ([3]) | 0.0 | 0.0 | ([3]) | 0.1 |
| Subtotal, subject | ([3]) | ([3]) | ([3]) | ([3]) | 0.0 | ([3]) | 0.1 |
| Canada | 38.2 | 31.4 | 27.4 | 22.1 | 24.9 | 28.0 | 22.6 |
| China | 0.1 | 0.1 | 0.6 | 1.3 | 1.4 | 3.2 | 12.1 |
| Mexico | 45.4 | 43.4 | 45.6 | 49.2 | 53.0 | 47.8 | 46.3 |
| All other sources | 16.3 | 25.0 | 26.4 | 27.4 | 20.7 | 21.0 | 19.0 |
| Subtotal, nonsubject | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 99.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | **Share of value (*percent*)** | | | | | | |
| Argentina | 0.0 | ([3]) | 0.0 | ([3]) | 0.0 | 0.0 | 0.0 |
| Taiwan | 0.1 | ([3]) | ([3]) | 0.0 | 0.0 | ([3]) | 0.2 |
| Subtotal, subject | 0.1 | ([3]) | ([3]) | ([3]) | 0.0 | ([3]) | 0.2 |
| Canada | 40.9 | 32.9 | 28.4 | 24.0 | 25.4 | 32.5 | 25.9 |
| China | 0.1 | 0.3 | 0.5 | 1.0 | 1.2 | 2.8 | 10.6 |
| Mexico | 43.6 | 43.2 | 47.6 | 52.2 | 53.5 | 46.5 | 45.8 |
| All other sources | 15.2 | 23.6 | 23.6 | 22.8 | 19.9 | 18.2 | 17.6 |
| Subtotal, nonsubject | 99.9 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 99.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

[1] Due to the relative size of imports of LWR pipe and tube from Argentina and Taiwan, U.S. import data are presented in this table in short tons rather than 1,000 short tons.
[2] Not applicable.
[3] Less than 0.05 percent.

Source: Official Commerce import statistics.

**Figure LWR-IV-2**
**LWR pipe and tube: U.S. imports from subject sources, by type, 1999-2005**

* * * * * * *

**Table LWR-IV-2**
**LWR pipe and tube: U.S. imports, by source and by type, 1999-2005**

| From | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | **Quantity (*short tons*)[1]** | | | | | | |
| Argentina-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 0 | 3 | 0 | 14 | 0 | 0 | 0 |
| Taiwan-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 77 | 23 | 13 | 0 | 0 | 59 | 277 |
| All subject countries-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 77 | 26 | 13 | 14 | 0 | 59 | 277 |
| | **Value (*1,000 dollars*)** | | | | | | |
| Argentina-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 0 | 6 | 0 | 7 | 0 | 0 | 0 |
| Taiwan-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 132 | 48 | 6 | 0 | 0 | 98 | 441 |
| All subject countries-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 132 | 54 | 6 | 7 | 0 | 98 | 441 |
| | **Unit value (*per short ton*)** | | | | | | |
| Argentina-- | | | | | | | |
| Dutied | $*** | $*** | $*** | $*** | $*** | $*** | $*** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | ([2]) | 2,068 | ([2]) | 483 | ([2]) | ([2]) | ([2]) |
| Taiwan-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 1,713 | 2,062 | 484 | ([2]) | ([2]) | 1,661 | 1,592 |
| All subject countries-- | | | | | | | |
| Dutied | *** | *** | *** | *** | *** | *** | *** |
| Not dutied | *** | *** | *** | *** | *** | *** | *** |
| Subaverage | 1,713 | 2,063 | 484 | 483 | ([2]) | 1,661 | 1,592 |

[1] Due to the relative size of imports of LWR pipe and tube from Argentina and Taiwan, U.S. import data are presented in this table in short tons rather than 1,000 short tons.
[2] Not applicable.

Source: Compiled from official Commerce statistics and Customs data.

## U.S. IMPORTERS' INVENTORIES

Of the two responding importers, only one reported maintaining inventories of LWR pipe and tube and this firm was importing LWR pipe and tube from a nonsubject source, ***. This firm, ***, maintained an inventory that fluctuated between *** short tons and *** short tons during the period under review.

## CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographic markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Fungibility considerations and channels of distribution are discussed in Parts LWR-I and LWR-II of this report; additional information regarding geographic markets and presence in the market is discussed below.

### Geographic Markets

Table LWR-IV-3 presents the Customs districts for subject imports of LWR pipe and tube over the period under review.[3] The import entry from Argentina in 2000 entered in Portland, ME, while the import entry from Argentina in 2002 entered in Baltimore, MD. The imports of LWR pipe and tube from Taiwan entered in the United States through various districts, including: Charlotte, NC; Detroit, MI; Los Angeles, CA; Minneapolis, MN; New York, NY; and Savannah, GA.

**Table LWR-IV-3**
**LWR pipe and tube: U.S. imports from subject countries, by Customs district, 1999-2005**

| Item | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| | Quantity (*short tons*) | | | | | | |
| Baltimore, MD | 0 | 0 | 0 | 14[1 2] | 0 | 0 | 0 |
| Charlotte, NC | 0 | 0 | 0 | 0 | 0 | 7 | 0 |
| Chicago, IL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Columbia-Snake, OR | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Detroit, MI | 0 | 0 | 0 | 0 | 0 | 16 | 18 |
| Los Angeles, CA | 0 | 0 | 0 | 0 | 0 | 18 | 63 |
| Minneapolis, MN | 77 | 19 | 0 | 0 | 0 | 0 | 0 |
| New York, NY | 0 | ([3]) | 13 | 0 | 0 | 0 | 0 |
| Philadelphia, PA | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Portland, ME | 0 | 3[1] | 0 | 0 | 0 | 0 | 0 |
| Savannah, GA | 0 | 4 | 0 | 0 | 0 | 18 | 197 |
| Total | 77 | 26 | 13 | 14 | 0 | 59 | 277 |

[1] Material from Argentina.
[2] ***.
[3] Less than 0.5 short tons.

Source: Compiled from official Commerce statistics.

[3] Official Commerce statistics measure imports at the port of entry; material imported into one district, however, may be shipped to another geographic region.

## Presence in the Market

Table LWR-IV-4 presents information on the monthly presence of subject imports. Subject product did not enter the United States during the majority of months encompassed by the period of review.

**Table LWR-IV-4**
**LWR pipe and tube: U.S. imports, monthly entries into the United States, by source, 1999-2005**

| Source | Month | | | | | | | | | | | | Total number of months |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| **1999** | | | | | | | | | | | | | |
| Argentina | | | | | | | | | | | | | 0 |
| Taiwan | | ■ | | | | ■ | ■ | | | | ■ | | 4 |
| **2000** | | | | | | | | | | | | | |
| Argentina | | | ■ | | | | | | | | | | 1 |
| Taiwan | | | | | | ■ | ■ | | | | ■ | ■ | 4 |
| **2001** | | | | | | | | | | | | | |
| Argentina | | | | | | | | | | | | | 0 |
| Taiwan | | | | | | | ■ | | | | | | 1 |
| **2002** | | | | | | | | | | | | | |
| Argentina | | | | | | | | | ([1]) | | | | 1 |
| Taiwan | | | | | | | | | | | | | 0 |
| **2003** | | | | | | | | | | | | | |
| Argentina | | | | | | | | | | | | | 0 |
| Taiwan | | | | | | | | | | | | | 0 |
| **2004** | | | | | | | | | | | | | |
| Argentina | | | | | | | | | | | | | 0 |
| Taiwan[2] | | | | | | | | ■ | | ■ | | ■ | 3 |
| **2005** | | | | | | | | | | | | | |
| Argentina | | | | | | | | | | | | | 0 |
| Taiwan[2] | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | | ■ | ■ | 9 |

[1] This entry from *** was the only entry against which ***. ***.
[2] The U.S. importer and foreign producer reported no U.S. imports or exports to the United States in 2004 and 2005 corresponding to the Commission's definition of LWR pipe and tube.

Note.--Shaded squares indicate that more than zero short tons of LWR pipe and tube entered into the United States in the indicated month.

Source: Compiled from Official Commerce statistics.

## SUBJECT COUNTRY PRODUCERS

### The Industry in Argentina

In the original investigation on LWR pipes and tubes from Argentina (731-TA-409), 12 producers were identified as manufacturers of LWR pipe and tube in Argentina. It was reported that these 12 manufacturers had a combined capacity to produce 158,746 short tons in 1987, which represented an increase in capacity of approximately 40,000 short tons over 1985. At the same time that producers of

LWR pipe and tube in Argentina were increasing capacity, they were increasing their production and their exports to the United States, which reached 88,361 short tons and 19,951 short tons, respectively, in 1987.

In the first review, no producer of LWR pipe and tube in Argentina provided the Commission with a completed questionnaire response. In this second review, two Argentine producers of LWR pipe and tube provided the Commission with partial data on their LWR pipe and tube operations and all firms identified as potential producers of LWR pipe and tube provided the Commission with a questionnaire response.

A review of Simdex Publishing indicates that there are at least three producers of steel pipe in Argentina (*see* appendix E). Simdex lists capacity for Acindar at 61,000 short tons, ***. The other two firms Simdex identifies as potentially producing LWR pipe and tube, Tubhier and M. Royo, provided the Commission with a questionnaire response indicating that they have not produced the subject merchandise over the period under review.

## LWR Pipe and Tube Operations in Argentina

The Commission sent questionnaires to five firms in Argentina as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

Acindar S.A. ("Acindar")
M. Royo, S.A. ("M. Royo")
Tenaris Siat, S.A. ("Siat")
Tubhier, S.A. ("Tubhier")
Tubos Argentinos ("Tubos Argentinos")

Two firms, Siderar[4] and Tubos Argentinos, provided the Commission with partial questionnaire responses relating to LWR pipe and tube operations in Argentina.[5] Four firms in total (M. Royo, Rapi-Estant, Siat, and Tubhier) provided questionnaire responses indicating that they did not produce or export LWR pipe and tube to the United States between 1999 and 2005. Siderar has alleged that since the original orders two of the three main producers of LWR pipe and tube exited the industry.[6] The remaining firm Siderar, which acquired Acindar in January 2006, plans to focus primarily on the domestic Argentine and neighboring Mercusor markets. According to *** (*see* table LWR-IV-2). The foreign manufacturer identified in this transaction was ***.

The Iron and Steel Institute of Argentina ("IAS") declined to provide the Commission with data on producers of LWR pipe and tube in Argentina as the IAS' primary purpose is to provide technical assistance to member firms, not to collect and disseminate statistics. However, the IAS did forward the

---

[4] Siderar was not identified as a potential producer of LWR pipe and tube in Argentina in parties' responses to the notice of institution, proprietary Customs data, Commerce notices, nor Simdex Publishing's list of steel tube manufacturers because prior to January 2006 it was not a producer of LWR pipe and tube in Argentina. In 2006, Siderar purchased the assets of Acindar's welded tubes division and volunteered information that it was able to gather in relation to Acindar's operations between 2002 and 2005. Siderar is owned by Ternium, which also owns Hylsa, a producer of circular welded pipe and tube in Mexico, also a party to these reviews.

[5] Siderar provided data on Acindar's operations between 2002 and 2005, while Tubos Argentinos provided only trade data on its operations in 2005.

[6] Hearing transcript, pp. 15-16 (Winton). Staff notes, however, that due to the nature of the production of LWR pipe and tube, any producer of LWR pipe and tube can stop production of the subject merchandise and still run the underlying pipe and tube mill for the production of circular welded pipe and tube by removing the flattening gauges (for rectangular shaping) from the end of the production line. In such instances, especially if a firm has not sold or scrapped its gauges, a firm could re-enter the LWR pipe and tube market by simply reinstalling the idled gauges.

Commission's questionnaire to its member firms.[7] Due to IAS' effort, the Commission received M. Royo's and Rapi-Estant's questionnaire responses. Additionally, the *** assisted the Commission in receiving a partial questionnaire response from the circular-welded and LWR pipe and tube producer Tubos Argentinos.[8]

Table LWR-IV-5 presents information on LWR pipe and tube operations in Argentina, *i.e.* from data submitted by Siderar on behalf of Acindar (2003-05) and by Tubos Argentinos (2005 only). Table LWR-IV-6 presents information on overall pipe operations in Argentina in relation to these firms' submissions. Siderar was not able to provide the Commission with data on Acindar's operations prior to 2003, and Tubos Argentinos only provided the Commission with data on its operations in 2005.

**Table LWR-IV-5**
**LWR pipe and tube: Operations in Argentina, 1999-2005**

* * * * * * *

**Table LWR-IV-6**
**Welded pipe and tube: Overall pipe operations in Argentina, 1999-2005**

* * * * * * *

## The Industry in Taiwan

In the original investigation on LWR pipes and tubes from Taiwan (731-TA-410), three producers were identified as manufacturers of LWR pipe and tube in Taiwan: Ornatube, Vulcan, and Yieh Hsing. It was reported that these three manufacturers nearly doubled their capacity in the original investigation to *** short tons in 1988. In 1988, it was reported these firms exported *** short tons of LWR pipe and tube to the United States.

Simdex Publishing indicates that there are currently at least seven producers of steel pipe in Taiwan (*see* appendix E). Five of the seven listed producers of pipe and tube have an estimated production capacity of 583,000 short tons.

## LWR Pipe and Tube Operations in Taiwan

The Commission sent questionnaires to eight firms in Taiwan as identified from parties' responses to the notice of institution, proprietary Customs data, Commerce notices, and Simdex Publishing's list of steel tube manufacturers, as identified below:

China Display Fixture Co., Ltd. ("China Display")
Jen Tai Industrial Corp. ("Jen Tai")
Froch Enterprise Co., Ltd. (formerly Jaung Yuann Enterprise Co., Ltd.) ("Froch")
Lang E International Corp. ("Lang E")
Ta Fong Irons Co., Ltd. ("Ta Fong")
Vulcan Industrial Corp. ("Vulcan")
Yieh Corporation ("Yieh")

[7] Letter from ***, Instituto Argentino de Siderurgia, May 4, 2006.

[8] Staff telephone interview ***, May 9, 2006.

Ornatube Enterprise Co., Ltd. ("Ornatube")

The Commission also included the LWR pipe and tube questionnaire with the circular welded pipe and tube questionnaire sent to producers of circular welded pipe and tube in Taiwan (*see* part CIRCULAR-IV). None of these firms provided data on their LWR pipe and tube operations. Two firms, H-H and Lung Yaow, provided a questionnaire response indicating that they did not produce or export LWR pipe and tube to the United States. According to *** (*see* table LWR-IV-2).

The Taiwan Steel & Iron Industries Association ("TSIIA") *** data on producers of LWR pipe and tube in Taiwan. TSIIA ***.[9] ***.[10] The TSIIA indicated ***.[11]

[9] E-mail response from ***, May 12, 2006.

[10] All the firms that TSIIA listed were already identified as potential producers (either as circular welded pipe and tube producers or as LWR pipe and tube producers) and had therefore received questionnaires for both product categories from the Commission during the initial foreign producer questionnaire mailing in these reviews on February 6, 2006. These firms were Chung Hung, Yieh Hsing, Kao Hsing, Mayer Steel, Far East, Froch, Ta Fong, and Vulcan.

[11] E-mail response from ***, May 12, 2006.

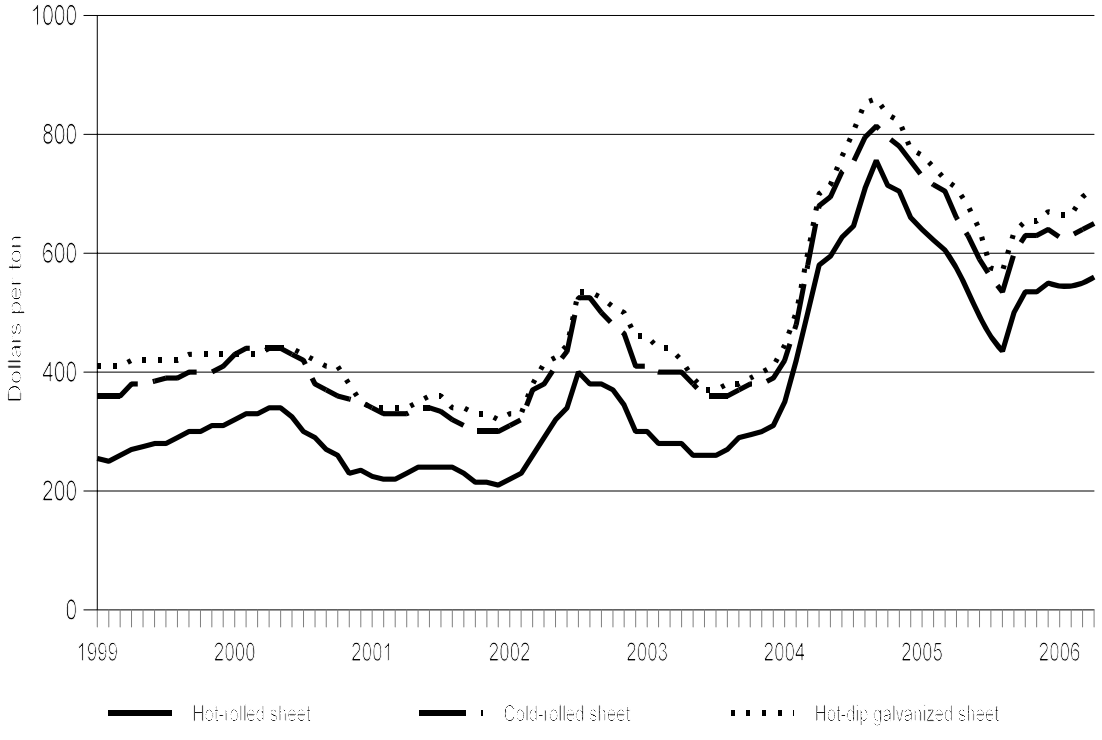
# PART LWR-V: PRICING AND RELATED INFORMATION

## FACTORS AFFECTING PRICING

### Raw Material Costs

Raw material costs account for a substantial share of the cost of producing LWR pipe and tube. During 1999-2005, these costs ranged from 71 percent to 81 percent of the cost of goods sold. The chief raw material inputs are hot-rolled and cold-rolled sheet; galvanized sheet is used occasionally.[1] Spot prices for these raw materials are shown monthly in figure LWR-V-1 for January 1999-April 2006.

**Figure LWR-V-1**
**Hot-rolled steel sheet, cold-rolled steel sheet, and hot-dip galvanized sheet: Monthly prices, January 1999-April 2006**




Source: Purchasing Magazine transaction prices.

[1] *See*, *e.g.*, *Light-Walled Rectangular Pipe and Tube From Mexico and Turkey, Investigations Nos. 731-TA-1054 and 1055 (Final)*, USITC Publication 3728, October 2004, p. V-1 and tables VI-3 through VI-5.

## Transportation Costs to the U.S. Market

Ocean transportation costs of LWR pipe and tube shipped to the United States from Taiwan amounted to about 12.5 percent of the customs value of these imports during 2005. These estimates are derived from official import data.[2] In the case of Argentina, there were no known imports during 2005.

## Inland Transportation Costs

Transportation costs on U.S. inland shipments of LWR pipe and tube generally account for a small to moderate share of the delivered price of these products. For the U.S. producers that provided meaningful estimates, reported costs ranged from 1 percent to 10 percent of the delivered price. Estimates in the range of 3 to 5 percent were most common.

Producers were asked to estimate the percentage of their sales that occurred within 100 miles of their storage or production facility, between 101 and 1,000 miles and over 1,000 miles. Most U.S. producers reported that the majority of their shipments are for distances of over 100 miles. Of the 14 responding producers, just three reported that 50 percent or more of their shipments were within 100 miles of their storage or production facility. Of the two importers of product from nonsubject sources, one reported that all of its sales were within 100 miles of its storage facility and the other reported that 80 percent of its sales were within 100 miles of its storage facilities, and the remainder were for distances of over 1,000 miles.

## Safeguard Measures on Standard Pipe

During the antidumping investigation in 2004 relating to LWR pipe and tube from Mexico and Turkey, producers, importers, and purchasers were asked to discuss the economic effects of the imposition, modification, and termination of the global safeguard measures that went into effect on January 1, 2001.[3] These safeguard measures resulted in a 30-percent tariff on flat-rolled steel and a 15-percent tariff on pipe and tube. Responses from questionnaires were highly varied, with no general consensus among producers, importers, and purchasers concerning the effects of the safeguard measures. Many of the respondents reported that the effects were small or were very difficult to determine. Several producers reported that market conditions were much more important than the safeguards, especially by the time that the safeguard tariffs were terminated. However, some purchasers and importers reported that these safeguard measures resulted in sharply higher prices for steel.

## Exchange Rates

Nominal and real exchange rates for the currencies of Argentina and Taiwan in relation to the U.S. dollar are presented in figure LWR-V-2 on a quarterly basis for 1999-2005.[4] The Argentine peso was fixed in relation to the dollar during 1999-2001. After the abandonment of this fixed exchange rate

---

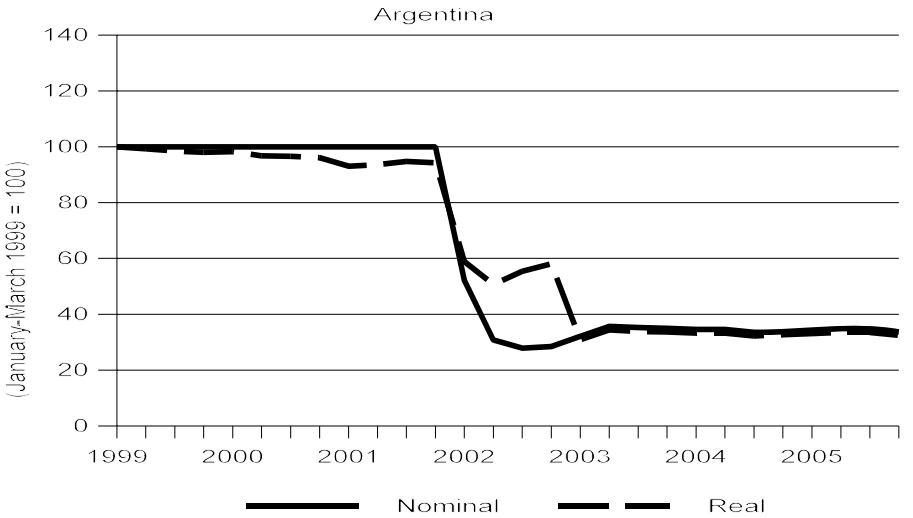
[2] The estimated cost was obtained by subtracting the customs value from the c.i.f. value of the imports for 2005 and then dividing by the customs value.

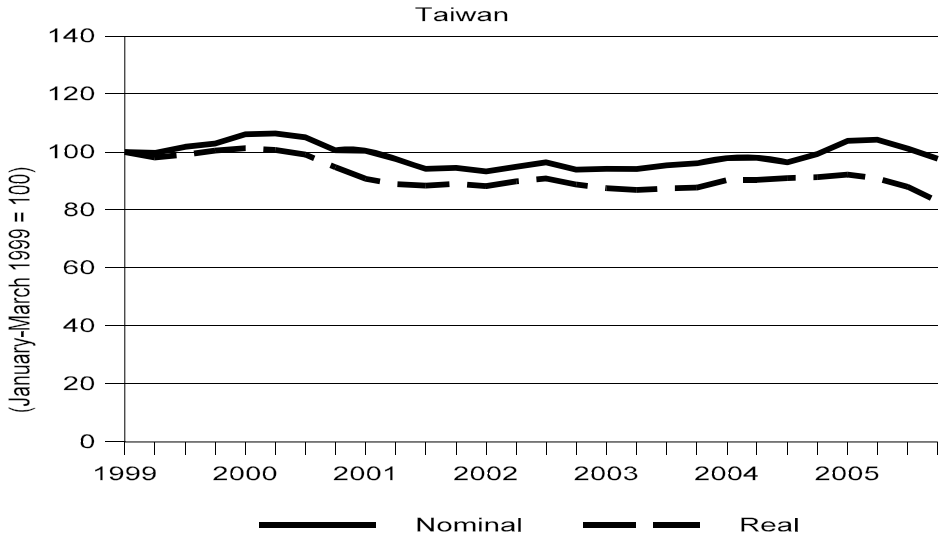
[3] See *Light-Walled Rectangular Pipe and Tube From Mexico and Turkey, Investigations Nos. 731-TA-1054 and 1055 (Final)*, USITC Publication 3728, October 2004, pp. 1 and 2.

[4] Real exchange rates are calculated by adjusting the nominal rates for movements in producer prices in the United States, Argentina, and Taiwan.

system at the end of 2001, the peso declined sharply and remained lower through 2005.[5] Argentina's real exchange rate closely followed the pattern of the nominal rate during the seven year period. Taiwan's nominal exchange rate fluctuated with no clear trend during 1999-2005 while its real exchange rate depreciated during this period.

**Figure LWR-V-2**
**Exchange rates: Indexes of the nominal and real exchange rates of the Argentine peso and the Taiwan NT dollar relative to the U.S. dollar, by quarters, January 1999-December 2005**




Source: IMF International Financial Statistics, April 2006, various earlier issues, and the St. Louis Federal Reserve.

[5] The Argentine peso was pegged to the U.S. dollar during 1999-2001. However, Argentina abandoned this system after 2001 and devalued the peso. In February 2002 it introduced a floating exchange rate system, with its exchange rates determined by market conditions. International Monetary Fund, *International Financial Statistics*, August 2003.

## PRICING PRACTICES

U.S. producers reported that prices of LWR pipe and tube are determined in a variety of ways. Among responding U.S. producers, transaction-by-transaction negotiations were the most commonly cited method for arriving at prices (reported by 9 of 13 responding producers). Some U.S. producers also cited market conditions, manufacturing and material costs, contract negotiations for multiple shipments, and price lists as ways of arriving at prices. One U.S. producer said that its prices are based upon a customer's past order volume and length of time as a customer of the firm.

Discounts are widely used in U.S. producers' sales of LWR pipe and tube. Eleven of the 14 U.S. producers reported that they provide volume discounts either as a general policy or on a case-by-case basis. In addition, seven producers provide discounts of ½ to 1 percent for prompt payment of accounts.

U.S. producers' prices are most frequently quoted on an f.o.b. basis, although delivered quotes are also common. Of the 14 responding U.S. producers, eight reported that they arrange transportation to their customers' locations, and six reported that they allow their customers to arrange transportation.

Sales of LWR pipe and tube by U.S. producers are typically made on a spot basis. Nine of 14 producers reported that 85 percent or more of their sales are on a spot basis with six of these firms reporting that all of their sales are on a spot basis. For U.S. producers that reported using contracts, the duration of contract ranged from one month to one year, with prices and sometimes quantities fixed during the contract period. The policy with respect to meet-or-release provisions is varied.

When U.S. producers and importers were asked if their firm sells LWR pipe and tube over the internet, most reported that they do not. Just three of the 14 producers reported internet sales. Neither of the importers from nonsubject countries reported internet sales.

## PRICE DATA

The Commission asked U.S. producers of LWR pipe and tube to provide quarterly data for the total quantity and value of LWR pipe and tube that was shipped to unrelated purchasers in the U.S. market on an f.o.b basis for the period January 1999 through December 2005. The products for which pricing data were requested are as follows:

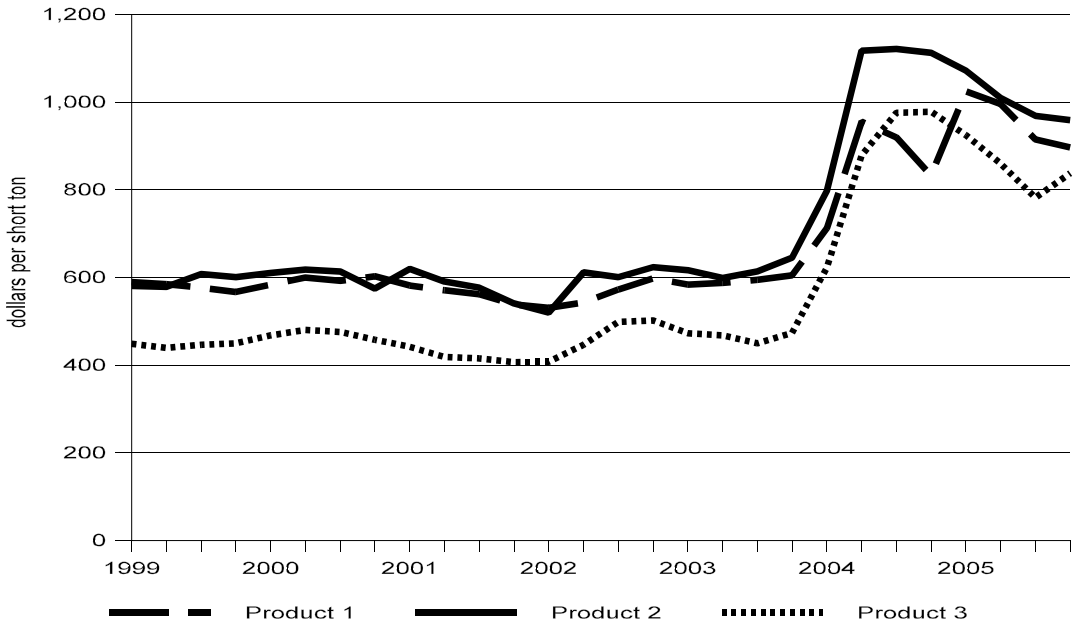
> ***Product 1*.–ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, 1 inch square, 0.065 inch wall thickness (± 10 percent), 20 foot to 24 foot lengths.**
>
> ***Product 2*.–ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, ½ inch square, 0.065 inch wall thickness (± 10 percent) (16 gauge), 20 foot or 24 foot mill lengths.**
>
> ***Product 3*.–ASTM A-513 (mechanical) or A-500 grade A or B (ornamental), hot-rolled, not pickled and oiled, 11 gauge or .120 inch +/- 10% wall, one inch square to four inches square, or in rectangular circumferences of four inches to sixteen inches, lengths of 20 to 24 feet.**

Twelve of 14 U.S. producers submitted varying amounts of price data. These data accounted for about 23 percent of U.S. commercial shipments in 2005. There were no reported imports of LWR pipe and tube from Argentina and no import data fitting the product descriptions in the case of imports from Taiwan; therefore, no price comparisons are possible.

## Price Trends

Weighted-average prices for the three products are shown in table LWR-V-1 and in figure LWR-V-3 quarterly for the period 1999-2005. The data show that prices fluctuated moderately during 1999 through the end of 2003 and then increased sharply in the first quarter of 2004. The price of product 1 rose irregularly to a peak of $1,025 per ton in the first quarter of 2005 and then declined in the next three quarters. Prices of products 2 and 3 both rose to peak levels in the second half of 2004 and then declined during 2005. For product 1, prices in the fourth quarter of 2005 were 52 percent higher than in the first quarter of 1999, but 12 percent lower than their peak level. For product 2, prices in the fourth quarter of 2005 were 66 percent higher than in the first quarter of 1999 but 15 percent lower than their peak level. For product 3, prices in the fourth quarter of 2005 were 87 percent higher than in the first quarter 1999 of but 14 percent lower than their peak level.

**Figure LWR-V-3**
**LWR pipe and tube: Weighted-average f.o.b. prices of domestic products 1, 2, and 3, by quarters, 1999-2005**




Source: Table V-1.

## Price Comparisons

During the original investigations, imports from Taiwan undersold the U.S. product in 33 out of 35 quarters and imports from Argentina undersold the domestic product in all 34 quarters where comparisons were possible.[6] However, during the first review and the current review, no import prices were reported, and therefore no more recent comparisons were possible.

[6] *See* confidential staff report of the original investigations, INV-M-027, (March 6,1989) pp. A-47 to A-50.

**Table LWR-V-1**
**LWR pipe and tube: Weighted-average f.o.b. prices and quantities of domestic products 1,[1] 2,[2] and 3,[3] by quarters, 1999-2005**

| Period | Product 1 | | Product 2 | | Product 3 | |
|---|---|---|---|---|---|---|
| | Price (*per ton*) | Quantity (*tons*) | Price (*per ton*) | Quantity (*tons*) | Price (*per ton*) | Quantity (*tons*) |
| **1999:** | | | | | | |
| Jan.-Mar. | $590 | 4,054 | $581 | 2,781 | $449 | 19,388 |
| Apr.-June | 585 | 4,286 | 579 | 2,842 | 440 | 21,352 |
| July-Sept. | 577 | 4,305 | 608 | 2,282 | 447 | 20,013 |
| Oct.-Dec. | 567 | 4,032 | 601 | 2,306 | 450 | 19,038 |
| **2000:** | | | | | | |
| Jan.-Mar. | 584 | 4,422 | 611 | 2,398 | 468 | 23,611 |
| Apr.-June | 600 | 4,429 | 618 | 2,523 | 481 | 22,766 |
| July-Sept. | 593 | 3,684 | 614 | 2,181 | 476 | 22,425 |
| Oct.-Dec. | 603 | 3,392 | 575 | 1,845 | 458 | 21,080 |
| **2001:** | | | | | | |
| Jan.-Mar. | 582 | 3,495 | 620 | 2,502 | 442 | 21,677 |
| Apr.-June | 571 | 3,863 | 591 | 2,879 | 419 | 20,486 |
| July-Sept. | 562 | 4,073 | 577 | 2,656 | 416 | 19,072 |
| Oct.-Dec. | 539 | 3,614 | 541 | 2,468 | 407 | 17,083 |
| **2002:** | | | | | | |
| Jan.-Mar. | 531 | 4,215 | 520 | 3,316 | 408 | 18,402 |
| Apr.-June | 543 | 4,524 | 612 | 3,424 | 447 | 19,950 |
| July-Sept. | 573 | 4,411 | 601 | 3,061 | 499 | 17,827 |
| Oct.-Dec. | 598 | 3,807 | 624 | 2,926 | 502 | 14,803 |
| **2003:** | | | | | | |
| Jan.-Mar. | 584 | 3,919 | 617 | 3,572 | 473 | 17,410 |
| Apr.-June | 588 | 4,592 | 599 | 3,970 | 468 | 19,912 |
| July-Sept. | 595 | 4,405 | 614 | 3,860 | 450 | 21,103 |
| Oct.-Dec. | 605 | 3,894 | 645 | 3,462 | 474 | 21,226 |
| **2004:** | | | | | | |
| Jan.-Mar. | 713 | 4,196 | 798 | 3,691 | 623 | 25,091 |
| Apr.-June | 956 | 3,752 | 1,118 | 3,535 | 879 | 19,861 |
| July-Sept. | 920 | 3,947 | 1,122 | 2,426 | 976 | 19,695 |
| Oct.-Dec. | 833 | 3,680 | 1,113 | 1,932 | 979 | 13,504 |
| **2005:** | | | | | | |
| Jan.-Mar. | 1,025 | 3,580 | 1,072 | 1,881 | 925 | 18,924 |
| Apr.-June | 996 | 4,174 | 1,010 | 2,304 | 860 | 19,486 |
| July-Sept. | 915 | 3,986 | 969 | 2,268 | 782 | 19,102 |
| Oct.-Dec. | 897 | 3,512 | 959 | 1,997 | 838 | 16,312 |

[1]ASTM A-513 (Mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, 1 inch square, 0.065 inch wall thickness (± 10 percent), 20 foot to 24 foot lengths.
[2]ASTM A-513 (Mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, ½ Inch square, 0.065 inch wall thickness (± 10 percent), (16 gauge) 20 foot to 24 foot lengths.
[3] ASTM A-513 (Mechanical) or A-500 grade A or B (ornamental) hot-rolled, not pickled and oiled, 11 gauge or .120 ± 10% wall, one inch square to four inches square, or in rectangular circumference of four inches to sixteen inches, lengths of 20 to 24 feet.

Source: Compiled from data submitted in response to Commission questionnaires.

# APPENDIX A

## *FEDERAL REGISTER* NOTICES AND STATEMENT ON ADEQUACY

## INTERNATIONAL TRADE COMMISSION

**[Investigation Nos. 701–TA–253 and 731–TA–132, 252, 271, 273, 409, 410, 532–534, and 536 (Second Review)]**

### Certain Pipe and Tube From Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the countervailing duty order on welded carbon steel pipe and tube from Turkey and the antidumping duty orders on certain pipe and tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty order on welded carbon steel pipe and tube from Turkey and the antidumping duty orders on certain pipe and tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be assured of consideration, the deadline for responses is August 22, 2005. Comments on the adequacy of responses may be filed with the Commission by September 13, 2005. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** Effective July 1, 2005.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

**SUPPLEMENTARY INFORMATION:** Background.—On the dates listed below, the Department of Commerce issued a countervailing duty order and antidumping duty orders on the subject imports:

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 05–5–132, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

| Order date | Product/country | Inv. No. | FR cite |
|---|---|---|---|
| 5/7/84 | Small diameter carbon steel pipe Tube/Taiwan | 731–TA–132 | 49 FR 19369 |
| 3/7/86 | Welded carbon steel pipe and tube/Turkey | 701–TA–253 | 51 FR 7984 |
| 3/11/86 | Welded carbon steel pipe and tube/Thailand | 731–TA–252 | 51 FR 8341 |
| 5/12/86 | Welded carbon steel pipe and tube/India | 731–TA–271 | 51 FR 17384 |
| 5/15/86 | Welded carbon steel pipe and tube/Turkey | 731–TA–273 | 51 FR 17784 |
| 3/27/89 | Light-walled rectangular pipe and tube/Taiwan | 731–TA–410 | 54 FR 12467 |
| 5/26/89 | Light-walled rectangular pipe and tube/Argentina | 731–TA–409 | 54 FR 22794 |
| 11/2/92 | Circular welded nonalloy steel pipe/Brazil | 731–TA–532 | 57 FR 49453 |
| 11/2/92 | Circular welded nonalloy steel pipe/Korea | 731–TA–533 | 57 FR 49453 |
| 11/2/92 | Circular welded nonalloy steel pipe/Mexico | 731–TA–534 | 57 FR 49453 |
| 11/2/92 | Circular welded nonalloy steel pipe/Taiwan | 731–TA–536 | 57 FR 49454 |

Following five-year reviews by Commerce and the Commission, effective August 22, 2000, Commerce issued a continuation of the countervailing duty order on imports of welded carbon steel pipe and tube from Turkey (65 FR 50960) and the antidumping duty orders on imports of certain pipe and tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey (65 FR 50955–50958). The Commission is now conducting second reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

*Definitions.*—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determinations, the Commission defined the Domestic Like Products as follows: (1) Small Diameter Circular Welded Carbon Steel Pipes and Tubes from Taiwan (Inv. No. 731–TA–132)—small diameter circular pipes and tubes (*i.e.*, with an outside diameter of at least 0.375 inch but not more than 4.5 inches); (2) Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand and Turkey (Inv. Nos. 731–TA–252 and 701–TA–253)—standard pipe up to and including 16 inches in outside diameter; (3) Certain Circular Welded Carbon Steel Pipes and Tubes from India and Turkey (Inv. Nos. 731–TA–271 and 273)—standard pipe of not more than 16 inches in outside diameter; (4) Certain Circular Welded Carbon Steel Pipes and Tubes from Brazil, Korea, Mexico, and Taiwan (Inv. Nos. 731–TA–532–534 and 536)—circular welded, non-alloy steel pipes and tubes of not more than 16 inches in outside diameter, except (a) finished conduit other than finished rigid conduit and (b) mechanical tubing that is not cold-drawn or cold-rolled; (5) Light-Walled Rectangular Pipe and Tube from Argentina and Taiwan (Inv. Nos. 731–TA–409 and 410)—light-walled rectangular pipe and tube. In its full five-year review determinations, the Commission found the following Domestic Like Products: (A) for the reviews listed in items (1)–(4) above, circular welded non-alloy steel pipes and tubes up to and including 16 inches in outside diameter, regardless of wall thickness and (B) for the reviews listed in item (5) above, light-walled rectangular pipe and tube.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the Domestic Industries as follows: (1) Small Diameter Circular Welded Carbon Steel Pipes and Tubes from Taiwan (Inv. No. 731–TA–132)—domestic producers of small diameter circular pipes and tubes (*i.e.*, with an outside diameter of at least 0.375 inch but not more than 4.5 inches); (2) Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand and Turkey (Inv. Nos. 731–TA–252 and 701–TA–253)—domestic producers of standard pipe up to and including 16 inches outside diameter; (3) Certain Circular Welded Carbon Steel Pipes and Tubes from India and Turkey (Inv. Nos. 731–TA–271 and 273)—domestic producers of standard pipe of not more than 16 inches in outside diameter; (4) Certain Circular Welded Carbon Steel Pipes and Tubes from Brazil, Korea, Mexico, and Taiwan (Inv. Nos. 731–TA–532–534 and 536)—domestic producers of circular welded, non-alloy steel pipes and tubes of not more than 16 inches in outside diameter, except (a) finished conduit other than finished rigid conduit and (b) mechanical tubing that is not cold-drawn or cold-rolled; (5) Light-Walled Rectangular Pipe and Tube from Argentina and Taiwan (Inv. Nos. 731–TA–409 and 410)—domestic producers of light-walled rectangular pipe and tube. In its full five-year review determinations, the Commission found the following Domestic Industries: (A) for the reviews listed in items (1)–(4) above, domestic producers of circular welded non-alloy steel pipes and tubes up to and including 16 inches in outside diameter, regardless of wall thickness and (B) for the review listed in item (5) above, domestic producers of light-walled rectangular pipe and tube.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

*Participation in the reviews and public service list.*—Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the ''same particular matter'' as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was ''personal and substantial.'' However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

*Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.*—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

*Certification.*—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

*Written submissions.*—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is August 22, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is September 13, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

*Inability to provide requested information.*—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

*Information to be Provided in Response to this Notice of Institution:* Please provide the requested information separately for each Domestic Like Product, as defined by the Commission in its review determinations, and for each of the products identified by Commerce as Subject Merchandise. If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term ''firm'' includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Products, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing duty order and antidumping duty orders on the Domestic Industries in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industries.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Products. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Countries that currently export or have exported Subject Merchandise to the United States or other countries after 1998.

(7) If you are a U.S. producer of the Domestic Like Products, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business

association, provide the information, on an aggregate basis, for the firms in which your workers are employed/ which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Products accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Products produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the Domestic Like Products produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Countries accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Countries; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from the Subject Countries.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Countries accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from the Subject Countries accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Products that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries after 1998, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Products produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (*Optional*) A statement of whether you agree with the above definitions of the Domestic Like Products and Domestic Industries; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: June 22, 2005.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05–13157 Filed 6–30–05; 8:45 am]

BILLING CODE 7020–02–P

## INTERNATIONAL TRADE COMMISSION

**[Investigation Nos. 701–TA–253 and 731–TA–132, 252, 271, 273, 409, 410, 532–534, and 536 (Second Review)]**

## Certain Pipe and Tube From Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey

**AGENCY:** International Trade Commission.

**ACTION:** Notice of Commission determination to conduct full five-year reviews concerning the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey.

**SUMMARY:** The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) to determine whether revocation of the countervailing duty and antidumping duty orders on certain pipe and tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATES:** October 4, 2005.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Haines (202–205–3200), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-

impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

**SUPPLEMENTARY INFORMATION:** On October 4, 2005, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act.[1] The Commission found that the domestic interested party group response to its notice of institution (70 F.R. 38204, July 1, 2005) was adequate. The Commission found that the respondent interested party group responses with respect to the orders on welded carbon steel pipe and tube from Turkey and circular welded nonalloy steel pipe from Mexico were adequate, but found that the respondent interested party group responses with respect to the orders on welded carbon steel pipe and tube from Thailand and India, small diameter carbon steel pipe and tube from Taiwan, circular welded nonalloy steel pipe from Brazil, Korea, and Taiwan, and light-walled rectangular pipe and tube from Argentina and Taiwan were inadequate. However, the Commission determined to conduct full reviews concerning all orders for which the respondent interested party group response was inadequate to promote administrative efficiency in light of its decision to conduct full reviews with respect to the orders on subject imports from Mexico and Turkey. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: October 11, 2005.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 05–20670 Filed 10–14–05; 8:45 am]

**BILLING CODE 4410–11–P**

[1] Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson dissenting with respect to light-walled rectangular pipe and tube from Argentina and Taiwan, for which they voted to conduct expedited reviews.

## DEPARTMENT OF COMMERCE

### International Trade Administration

**[C–489–502]**

### Final Results of Expedited Sunset Review: Welded Carbon Steel Standard Pipe from Turkey

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On July 1, 2005, the Department of Commerce (''the Department'') initiated a sunset review of the countervailing duty order (''CVD'') on welded carbon steel standard pipe from Turkey pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 38101 (July 1, 2005). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and inadequate response from respondent interested parties (in this case, no response), the Department conducted an expedited sunset review of this CVD order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the ''Final Results of Review'' section of this notice.

**EFFECTIVE DATE:** October 28, 2005.

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson or David Goldberger, AD/CVD Operations, Import Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4793 or (202) 482–4136, respectively.

**SUPPLEMENTAL INFORMATION:**

#### Background

On July 1, 2005, the Department initiated a sunset review of the CVD order on welded carbon steel standard pipe from Turkey pursuant to section 751(c) of the Act. *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 38101 (July 1, 2005). The Department received a Notice of Intent to Participate from the following domestic interested parties: Allied Tube and Conduit, IPSCO Tubulars, Leavitt Tube Company, Maverick Tube Corporation, Northwest Pipe Company, Sharon Tube Company, Western Tube and Conduit, and Wheatland Tube Company (collectively, ''domestic interested parties'') within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act.

The Department received a complete substantive response collectively from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). In the substantive response dated July 29, 2005, Copperweld Corporation and Maruichi American Corporation, two other domestic interested parties, expressed their intent to participate in the sunset review. The Department, however, did not receive a substantive response from any government or respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of this CVD order.

#### Scope of the Order

The merchandise subject to this CVD order is certain welded carbon steel pipe and tube with an outside diameter of 0.375 inch or more, but not over 16 inches, of any wall thickness (''pipe and tube''). These products are currently provided for under the Harmonized Tariff Schedule of the United States (''HTSUS'') as item numbers 7306.30.10, 7306.30.50, and 7306.90.10. Although the HTSUS subheadings are provided

for convenience and customs purposes, the written description of the merchandise subject to this order is dispositive.

**Analysis of Comments Received**

All issues raised in this review are addressed in the Issues and Decision Memorandum (''Decision Memorandum'') from Gary Taverman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 21, 2005, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit room B–099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at *http://ia.ita.doc.gov/frn*. The paper copy and electronic version of the Decision Memorandum are identical in content.

**Final Results of Review**

The Department determines that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

| Producer/Exporter | Net Countervailable Subsidy (percent) |
|---|---|
| Bant Boru[1] | 0.00 |
| Borusan Group[2] | 0.68 |
| Erbosan[3] | 2.89 |
| Yucel Boru Group[4] | 0.84 |
| All Others | 2.90 |

[1] Bant Boru Sanayi ve Ticaret A.S.
[2] Borusan Group is Borusan Birlesik Boru Fabrikalari A.S. (''BBBF'') and Borusan Ihracat Ithalat ve Dagitim A.S. (''Borusan Dagitim'').
[3] Erciyas Boru Sanayii ve Ticaret A.S.
[4] Yucel Boru and its affiliated companies: Cayirova Boru Sanayi ve Ticaret A.S. and Yucelboru Ihracat Ithalat ve Pazarlama A.S.

**Notification Regarding Administrative Protective Order**

This notice also serves as the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 21, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretaryfor Import Administration.*

[FR Doc. E5–5983 Filed 10–27–05; 8:45 am]

BILLING CODE 3510–DS–S

## DEPARTMENT OF COMMERCE

### International Trade Administration

**(A–357–802, A–583–803)**

### Light–Walled Welded Rectangular Carbon Steel Tubing from Argentina and Taiwan; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On July 1, 2005, the Department of Commerce (the Department) initiated the second sunset reviews of the antidumping duty orders on light–walled welded rectangular carbon steel tubing from Argentina and Taiwan pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and adequate substantive responses filed on behalf of domestic interested parties and no responses from respondent interested parties, the Department conducted expedited (120-day) sunset reviews. See section 751(c)(3)(B) of the Act. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would lead (or likely lead)

to continuation or recurrence of dumping at the levels listed in the ''Final Results of Reviews'' section below.

**EFFECTIVE DATE:** November 7, 2005.

**FOR FURTHER INFORMATION CONTACT:** Zev Primor or Edythe Artman, AD/CVD Enforcement 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–4114 or (202) 482–3931.

**SUPPLEMENTARY INFORMATION:**

**Background:**

On July 1, 2005, the Department initiated the second sunset reviews of the antidumping duty orders on light–walled welded rectangular carbon steel tubing from Argentina and Taiwan pursuant to section 751(c) of the Act. See *Initiation of Five-year (''Sunset'') Reviews*, 70 FR 38101 (July 1, 2005). The Department received a notice of intent to participate from Allied Tube and Conduit, Hannibal Industries, Leavitt Tube Company, Northwest Pipe Company, Searing Industries, and Western Tube and Conduit (collectively the domestic interested parties) within the deadline specified in 19 CFR 351.218(d)(1)(i) pertaining to sunset reviews. The domestic interested parties claimed interested–party status under section 771(9)(C) of the Act as manufacturers of a domestic like product in the United States. We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from the respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department has conducted expedited (120-day) sunset reviews of these orders.

**Scope of the Orders:**

The product covered by these orders is light–walled welded carbon steel pipes and tubes of rectangular (including square) cross-section having a wall thickness of less than 0.156 inch. This merchandise is classified under item number 7306.60.50.00 of the Harmonized Tariff Schedule of the United States. It was formerly classified under item number 610.4928 of the Tariff Schedules of the United States.

**Analysis of Comments Received:**

All issues raised in these reviews are addressed in the Issues and Decision Memorandum from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 31, 2005, which is hereby adopted by this notice. The issues discussed in the Issues and Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were to be revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B–099 of the main Commerce building.

In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Web at http://ia.ita.doc.gov/frn. The paper copy and electronic version of the Issues and Decision Memorandum are identical in content.

**Final Results of Reviews:**

We determine that revocation of the antidumping duty orders on light–walled welded rectangular carbon steel tubing from Argentina and Taiwan would be likely to lead to continuation or recurrence of dumping at the following weighted–average percentage margins:

| Manufacturers/Exporters/Producers | Weighted–Average Margin (percent) |
|---|---|
| **Argentina**. | |
| All Manufacturers/Producers/Exporters | 56.26 |
| **Taiwan**. | |
| Ornatube Enterprise | 5.51 |
| Vulcan Industrial Corp. | 40.97 |
| Yieh Hsing Industries, Ltd. | 40.97 |
| All Other Manufacturers/Producers/Exporters | 29.15 |

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 31, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 05–22152 Filed 11–4–05; 8:45 am]

BILLING CODE 3510–DS–S

## DEPARTMENT OF COMMERCE

### International Trade Administration

**(A–533–502, A–583–008, A–549–502, A–489–501, A–351–809, A–201–805, A–580–809, A–583–814)**

### Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, and Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Republic of Korea, Mexico, and Taiwan; Notice of Final Results of Expedited Five–Year (''Sunset'') Reviews of Antidumping Duty Orders

**AGENCY:** Import Administration, International Trade Administration, Department Commerce.

**SUMMARY:** On July 1, 2005, the Department of Commerce (''the Department'') initiated the second sunset reviews of the antidumping duty orders on certain circular welded carbon steel pipes and tubes from India, Taiwan, Thailand, and Turkey, and circular welded non–alloy steel pipe from Brazil, Republic of Korea (''Korea''), Mexico, and Taiwan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate and adequate substantive responses filed on behalf of the domestic interested parties and inadequate response from respondent interested parties, the Department has conducted expedited sunset reviews of these antidumping duty orders. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the level indicated in the ''Final Results of Review'' section of this notice.

**EFFECTIVE DATE:** November 8, 2005.

**FOR FURTHER INFORMATION CONTACT:** Dana Mermelstein, Antidumping/Countervailing Duty Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone:(202) 482–1391.

**SUPPLEMENTARY INFORMATION:**

### Background

Pursuant to section 736 of the Tariff Act of 1930, as amended (the Act), the Department published in the **Federal Register** the antidumping duty orders on Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Korea, Mexico, and Taiwan. *See Antidumping Duty Order; Certain*

*Welded Carbon Steel Standard Pipes and Tubes from India*; 51 FR 17384 (May 12, 1986), *Certain Circular Carbon Welded Pipes and Tubes from Taiwan; Antidumping Duty Order*, 49 FR 19369 (May 7, 1984), *Antidumping Duty Order; Circular Welded Carbon Steel Pipes and Tubes from Thailand*; 51 FR 8341 (March 11, 1986), *Antidumping Duty Order; Welded Carbon Steel Standard Pipe and Tube Products from Turkey*, 51 FR 17784 (May 15, 1986), *Antidumping Duty Orders; Certain Welded Non Alloy Steel Pipe from Brazil, Korea, and Mexico and Amendment to Final Determination of Sales at Less than Fair Value; Certain Circular Welded Non Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992); *Antidumping Duty Order: Circular Welded Non Alloy Steel Pipe from Taiwan*, 57 FR 49454 (November 2, 1992).

Pursuant to section 751(c) of the Act, on August 22, 2000, the Department published the continuation notice of the antidumping duty orders on Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Korea, Mexico, and Taiwan, after the ITC found that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonablely foreseeable time.[1]

On July 1, 2005, the Department published a notice of initiation of the second sunset reviews of the antidumping duty orders on Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Korea, Mexico, and Taiwan, pursuant to section 751(c) of the Act.[2]

For each of these sunset reviews, the Department received notice of intent to participate from Allied Tube and Conduit, Copperweld Corporation, IPSCO Tubulars, Leavitt Tube Company, Maverick Tube Corporation, Northwest Pipe Company, Sharon Tube Company, Western Tube and Conduit, and Wheatland Tube Company (collectively, ''the domestic interested parties''), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the subject merchandise.

On June 29, 2005, we received complete substantive responses to the notice of initiation from the domestic interested parties within the 30–day deadline specified in section 351.218(d)(3)(i) of the Department's regulations. We did not receive any responses from respondent interested parties to these proceedings. On October 25, 2005, the Department received amendments to the July 29, 2005, substantive responses from the domestic interested parties because Mariuchi American Corporation was erroneously included as one of the domestic interested parties.

Based on these circumstances, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department has conducted expedited sunset reviews of these antidumping duty orders.

## Scopes of the Antidumping Duty Orders

See Appendix 1

## Analysis of Comments Received

All issues raised in these cases are addressed in the *Issues and Decision Memorandum for Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Korea, Mexico, and Taiwan* from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, (''Decision Memo''), dated October 31, 2005, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memo, which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at http://ia.ita.doc.gov/frn, under the heading ''November 2005''. The paper copy and electronic version of the Decision Memo are identical in content.

## Final Results of Reviews

We determine that revocation of the antidumping duty orders on Certain Circular Welded Carbon Steel Pipes and Tubes from India, Taiwan, Thailand, Turkey, and Circular Welded Non–Alloy Steel Pipe from Brazil, Korea, Mexico, and Taiwan would likely lead to continuation or recurrence of dumping at the following weighted–average percentage margins:

| Manufacturers/Exporters/Producers | Weighted–average margin (percent) |
|---|---|
| **India** (A–533–502). | |
| Tata Iron and Steel Company, Ltd. | 7.08 |
| All Others | 7.08 |
| **Taiwan** (A–583–008). | |
| Kao Hsing Chang | 9.70 |
| Tai Feng | 43.70 |
| Yieh Hsing | 38.50 |
| All Others | 9.70 |
| **Thailand** (A–549–502). | |
| Saha Thai Steel Pipe Co. | 15.69 |
| Thai Steel Pipe Industry Co. | 15.60 |
| All Others | 15.67 |
| **Turkey** (A–489–501). | |
| Borusan Ithicat ve Dagitim | 1.26 |
| Erkboru Profil Sanayi ve Ticaret | 23.12 |
| Mannesmann–Sumerbank Boru Industrisi | 23.12 |
| All Others | 14.74 |
| **Brazil** (A–351–809). | |
| Perisco Pizzamiglio S.A. | 103.38 |
| All Others | 103.38 |
| **Korea** (A–580–809). | |
| Hyundai Steel Pipe Co., Ltd | 6.86 |
| Korea Steel Pipe Co., Ltd | 6.21 |
| Masan Steel Tube Works Co., Ltd | 11.63 |
| Pusan Steel Pipe Co., Ltd. | 4.91 |
| All Others | 6.37 |
| **Mexico** (A–201–805). | |
| HYLSA, S.A. de C.V. | 32.62 |
| All Others | 32.62 |
| **Taiwan** (A–580–814). | |
| Kao Hsing Chang Iron and Steeel Corp. | 19.46 |
| Yieh Hsing Enterprise Co., Ltd. | 27.65 |
| All Others | 23.56 |

This notice serves as the only reminder to parties subject to administrative protective orders (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations.

Timely notification of the return or destruction of APO materials or conversion to judicial protective order is

[1] *See Continuation of Antidumping Duty Orders; Light-Walled Rectangular Welded Carbon Steel Pipe and Tube From Taiwan; Circular Welded Non Alloy Steel Pipe and Tube from Brazil, Korea, Mexico, and Taiwan; Welded Carbon Steel Pipe and Tube From India, Thailand, and Turkey; and Small Diameter Standard and Rectangular Steel Pipe and Tube from Taiwan*, 65 FR 50955 (August 22, 2000).

[2] *See Initiation of Five-Year (''Sunset'') Reviews*, 70 FR 38101 (July 1, 2005).

hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: October 31, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

## APPENDIX 1

## Scopes of the Antidumping Duty Orders

*India* -- Welded Carbon Steel Pipe and Tube (A–533–502)

The merchandise subject to this antidumping duty order include circular welded non–alloy steel pipe and tube, of circular cross–section, but not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipe and tube are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipe and tube are intended for the low–pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air–conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load–bearing and mechanical applications, such as for fence tubing, and for protection of electrical wiring, such as conduit shells. The scope is not limited to standard pipe and fence tubing or those types of mechanical and structural pipe that are used in standard pipe applications. All carbon–steel pipe and tube within the physical description outlined above are included in the scope of this order, except for line pipe, oil–country tubular goods, boiler tubing, cold–drawn or cold–rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit. Imports of the products covered by this order are currently classifiable under the following Harmonize Tariff Schedule of the United States (HTSUS) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90.

*Taiwan* -- Circular Welded Carbon Steel Pipe and Tube (Small Diameter Carbon Steel Pipe and Tube) (A–583–008)

The merchandise subject to this antidumping duty order are shipments of certain circular welded carbon steel pipe and tube. The Department defines such merchandise as welded carbon steel pipe and tube of circular cross section, with walls not thinner than 0.065 inch and 0.375 inch or more but not over 4 1/2 inches in outside diameter. These products are commonly referred to as ''standard pipe'' and are produced to various American Society for Testing Materials Specifications, most notably A–53, A–120, or A–135. Standard pipe is currently classified under HTSUS item numbers 7306.30.5025, 7306.30.5032, 7306.30.5040, and 7306.30.5055.

*Thailand* -- Welded Carbon Steel Pipe and Tube (A–549–502)

The merchandise subject to this antidumping duty order is certain circular welded carbon steel pipe and tube, commonly referred to in the industry as ''standard pipe'' or ''structural tubing,'' with walls not thinner than 0.065 inches, and 0.375 inches or more, but not over 16 inches in outside diameter. The subject merchandise was classifiable under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, and 610.3252, 610.3254, 610.3256, 610.3258, 610.4925 of the Tariff Schedule of the United States of America (TSUSA). Currently, it is classifiable under item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, and 7306.30.5040, 7306.30.5055, 7306.30.5085 and 7306.30.5090 of the HTSUS. There was one scope ruling in which British Standard light pipe 387/67, Class A–1 was found to be within the scope of the order per remand (*58 FR 27542*, May 10, 1993).

*Turkey* -- Welded Carbon Steel Pipe and Tube (A–489–501)

The merchandise subject to this antidumping duty order includes circular welded non–alloy steel pipe and tube, of circular cross–section, not more than 16 inches in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted) or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipe and tube are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipe and tube are intended for the low–pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air–conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load–bearing and mechanical applications, such as for fence tubing, and for protections of electrical wiring, such as conduit shells. The scope is not limited to standard pipe and fence tubing or those types of mechanical and structural pipe that are used in standard pipe applications. All carbon steel pipe and tube within the physical description outline above are included in the scope of this review, except for line pipe, oil country tubular goods, boiler tubing, cold–drawn or cold–rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit. The subject merchandise was classifiable under items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, and 610.3252, 610.3254, 610.3256, 610.3258, 610.4925 of the TSUSA; currently, it is classifiable under item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, and 7306.30.5040, 7306.30.5055, 7306.30.5085 and 7306.30.5090 of the HTSUS.

*Brazil, Korea and Mexico* -- Circular Welded Non–Alloy Steel Pipe and Tube (A–351- 809, A–580–809, A–201–805)

The products covered by this order are circular welded non–alloy steel pipes and tubes, of circular cross–section, not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low pressure conveyance of water, steam, natural gas, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses, and generally meet ASTM A–53 specifications. Standard pipe may also be used for light load–bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and support members for reconstruction or load–bearing purposes in the construction, shipbuilding, trucking, farm equipment, and related industries. Unfinished conduit pipe is also included in these orders. All carbon steel pipes and tubes within the physical description outlined above are included within the scope of this order, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil or gas pipelines is also not included in this order.

Imports of the products covered by this order are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90.

Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this order is dispositive.

*Taiwan* -- Circular Welded Non–Alloy Steel Pipe and Tube (A–583–814)

The products covered by this order are (1) circular welded non–alloy steel pipes and tubes, of circular cross section over 114.3 millimeters (4.5 inches), but not over 406.4 millimeters (16 inches) in outside diameter, with a wall thickness of 1.65 millimeters (0.065 inches) or more, regardless of surface finish (black, galvanized, or painted), or end–finish (plain end, beveled end, threaded, or threaded and coupled); and (2) circular welded non–alloy steel pipes and tubes, of circular cross–section less than 406.4 millimeters (16 inches), with a wall thickness of less than 1.65 millimeters (0.065 inches), regardless of surface finish (black, galvanized, or painted) or end–finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkling systems, and other related uses, and generally meet ASTM A–53 specifications. Standard pipe may also be used for light load–bearing applications, such as for fence–tubing and as structural pipe tubing used for framing and support members for construction, or load–bearing purposes in the construction, shipbuilding, trucking, farm–equipment, and related industries. Unfinished conduit pipe is also included in this order. All carbon steel pipes and tubes within the physical description outlined above are included within the scope of this investigation, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind or used for oil and gas pipelines is also not included in this investigation.

Imports of the products covered by this order are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings, 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90.

Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

[FR Doc. 05–22241 Filed 11–7–05; 8:45 am]

BILLING CODE: 3510–DS–S

## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–489–501]**

### Notice of Final Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube from Turkey

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Final Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube from Turkey.

**SUMMARY:** On June 7, 2005, the Department of Commerce (''the Department'') published the preliminary results of its administrative review of the antidumping duty order on certain welded carbon steel pipe and tube (''welded pipe and tube'') from Turkey. This review covers two producers/exporters of the subject merchandise. The period of review (''POR'') is May 1, 2003, through April 30, 2004. Based on our analysis of the comments received, these final results differ from the preliminary results. The final results are listed below in the Final Results of Review section.

**EFFECTIVE DATE:** December 12, 2005.

**FOR FURTHER INFORMATION CONTACT:** Christopher Hargett, George McMahon, or Jim Terpstra, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–4161, (202) 482–1167 or (202) 482–3965, respectively.

**SUPPLEMENTARY INFORMATION:**

### Background

This review covers two producers/exporters of the subject merchandise: (1) the Yücel Group (''Yücel''), which includes Çayirova Boru Sanayi ve Ticaret A.S. and its affiliate, Yücel Boru Ithalat–Ihracat ve Pazarlama A.S. (collectively referred to as ''Çayirova'') and (2) the Borusan Group (''Borusan'').[1] On June 7, 2005, the Department published the preliminary results of this review and invited interested parties to comment on those results.[2] On July 21, 2005, we received case briefs from Çayirova, Borusan, and domestic interested parties.[3] On July 28, 2005, we received rebuttal briefs from the same parties. A public hearing was held on August 4, 2005.[4]

### Scope of the Order

The products covered by this order include circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, or galvanized, painted), or end finish (plain end, beveled end, threaded and coupled). Those pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protection of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing, or those types of mechanical and structural pipe that are used in standard pipe applications. All carbon steel pipes and tubes within the physical description outlined above are included in the scope of this order, except for line pipe, oil country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit.

Imports of these products are currently classifiable under the following Harmonized Tariff Schedule of the United States (''HTSUS'') subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this review are addressed in the ''Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Certain Welded Carbon Steel Pipe and Tube from Turkey'' from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated December 5, 2005 (''Decision Memorandum''), which is hereby adopted by this notice.

A list of the issues which parties have raised and to which we have responded, all of which are addressed in the Decision Memorandum, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in the Decision Memorandum, which is on file in the CRU, room B–099 of the main Department of Commerce building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at http://ia.ita.doc.gov/frn. The paper copy and electronic version of the Decision Memorandum are identical in content.

### Fair Value Comparisons

We calculated export price (''EP'') and normal value (''NV'') based on the same methodology used in the preliminary results, except for changes detailed in the Decision Memorandum. For Çayirova, we have made the contract date as the date of sale, changed the weighting factors matching home market and U.S. market sales, and applied the countervailing duty adjustment.[5] For Borusan, we have restored certain U.S. and home market sales.[6]

### Cost of Production

We calculated the cost of production (''COP'') for the merchandise based on the same methodology used in the preliminary results.

### Final Results of Review

As a result of our review, we determine that the following weighted-average percentage margins exist for the period May 1, 2003, through April 30, 2004:

| Manufacturer/Exporter | Margin (percent) |
|---|---|
| Borusan | 0.86 |
| Çayirova | 3.52 |

[1] The Borusan Group includes Borusan Birlesik Boru Fabrikalari A.S., Mannesmann Boru End strisi T.A.S., Borusan Mannesmann Boru Sanayii ve Ticaret A.S., and Istikbal Ticaret T.A.S.

[2] *Notice of Preliminary Results of Antidumping Administrative Review: Ceratin Welded Carbon Steel Pipe and Tube from Turkey*, 70 FR 33084 (June 7, 2005).

[3] Petitioners are Allied Tube and Conduit Corporation, and Wheatland Tube Company.

[4] A copy of the transcript of the hearing is available in the Cental Records Unit (''CRU'') of the Department.

[5] Decision Memorandum, December 5, 2005, at comments 1, 3 and 4.

[6] *Id.*, at comment 5.

The Department shall determine, and the U.S. Customs and Border Protection (''CBP'') shall assess, antidumping duties on all appropriate entries. In accordance with section 351.212(b)(1) of the Department's regulations, we have calculated importer-specific assessment rates by dividing the dumping margin found on the subject merchandise examined by the entered value of such merchandise. Where the importer-specific assessment rate is above *de minimis* we will instruct CBP to assess antidumping duties on that importer's entries of subject merchandise. The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of these final results of review.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, as provided by section 751(a) of the Tariff Act of 1930, as amended (''the Act''): (1) for the companies named above, the cash deposit rate will be the rate listed above, except where the margin is zero or *de minimis* no cash deposit will be required; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in a previous segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published in the most recent final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review or in any previous segment of this proceeding, but the manufacturer is, the cash deposit rate will be that established for the manufacturer of the merchandise in these final results of review or in the most recent segment of the proceeding in which that manufacturer participated; and (4) if neither the exporter nor the manufacturer is a firm covered in this review or in any previous segment of this proceeding, the cash deposit rate will be 14.74 percent, the ''All-others'' rate established in the less-than-fair-value investigation. These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a final reminder to importers of their responsibility under section 351.402(f) of the Department's regulations to file a certificate regarding the reimbursement of antidumping and countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping and countervailing duties occurred, and in the subsequent assessment of antidumping duties increased by the amount of antidumping and/or countervailing duties reimbursed.

This notice also is the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return/destruction or conversion to judicial protective order of proprietary information disclosed under APO in accordance with section 351.305(a)(3) of the Department's regulations. Failure to comply is a violation of the APO.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 5, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

## APPENDIX

### List of Comments in the Issues and Decision Memorandum

*Comment 1:* Date of Sale
*Comment 2:* ASTM Pipe in the Home Market

*Comment 3:* Weighting Factors in the Model Match Program
*Comment 4:* CVD Adjustment
*Comment 5:* Certain United States and Home Market Sales
*Comment 6:* Cash Deposit Rate
*Comment 7:* Duty Drawback
*Comment 8:* Test for Below-Cost Sales

[FR Doc. 05–23923 Filed 12–9–05; 8:45 am]

BILLING CODE 3510–DS–S

## INTERNATIONAL TRADE COMMISSION

**[Investigation Nos. 701–TA–253 and 731–TA–132, 252, 271, 273, 409, 410, 532–534, and 536 (Second Review)]**

## Certain Pipe and Tube From Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey

**AGENCY:** United States International Trade Commission.

**ACTION:** Revised schedule for the subject reviews.

**DATES:** *Effective Date:* June 2, 2006.

**FOR FURTHER INFORMATION CONTACT:** Russell Duncan (202–708–4727), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW.,

Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

**SUPPLEMENTARY INFORMATION:** On November 29, 2005, the Commission established a schedule for the conduct of the final phase of the subject full reviews (70 FR 72467, December 5, 2005). The Commission determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). As a result of scheduling conflicts, however, the Commission is revising its schedule in these reviews.

The Commission's new schedule for the reviews is as follows: the Commission will make its final release of information on June 21, 2006, and final party comments are due on June 23, 2006.

For further information concerning these reviews see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and D, E, and F (19 CFR part 207).

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: June 5, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6–9004 Filed 6–8–06; 8:45 am]

BILLING CODE 7020–02–P

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY
in
Certain Pipe and Tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, Inv. Nos. 701-TA-253, 731-TA-132, 252, 271, 273, 409-410, 532-534, and 536 (Second Review)

On October 4, 2005, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products.[1]

**Circular Welded Non-alloy Steel Pipes and Tubes from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey, Inv. Nos. 701-TA-253, 731-TA-132, 252, 271, 273, 532-534, and 536 (Second Review).**

With respect to the reviews on circular welded non-alloy pipes and tubes ("CWP"), the Commission determined that the domestic interested party group response to its notice of institution was adequate. The Commission received a consolidated response from ten domestic producers of CWP.[2] These producers collectively account for a majority of domestic production of a product they describe as "standard pipe."[3] The Commission found the individual response of each of the ten domestic CWP producers, which contained company-specific data, adequate.

The Commission also found that the respondent interested party group responses were adequate with respect to the orders on CWP from Mexico and Turkey. The Commission received separate adequate individual responses from two Mexican producers, Hylsa S.A. de C.V. ("Hylsa") and Tuberia Nacional, S.A. de C. V., estimated to collectively account for a majority of total production of CWP in Mexico. It also received separate adequate individual responses from Hylsa and S&P Steel Products and Services, Inc., which are U.S. importers of CWP from Mexico. With respect to the reviews of the antidumping and countervailing duty orders on CWP from Turkey, the Commission received an adequate individual response from Turkish producer Güven Boru Profil Sanayi Ve Ticaret Ltd., Stl. The Commission also received an adequate joint response from Borusan Mannesmann Boru Sanayi ve Ticaret A.S. ("BMB"), a Turkish producer, and Istikbal Ticaret T.A.S., an affiliate company of BMB and a Turkish exporter. It also received an individual response from Turkish producer and exporter MMZ Onur Boru Profil Uretim Sanayi ve Ticaret A.S. ("MMZ"), which did not provide information on production and export levels or on the likely effects of the revocation of the orders requested in the notice of institution, or explain why the firm was unable to provide such information. Accordingly, the Commission determined that MMZ's individual response was inadequate. Notwithstanding MMZ's inadequate response, because the Commission received adequate responses from Turkish producers

---

[1]See 19 U.S.C. § 1675 (c)(5)(D); 63 Fed. Reg. 29372, 29374 (May 29, 1998).

[2]These producers include Allied Tube & Conduit Corporation ("Allied"), Copperweld Corporation ("Copperweld"), Ipsco Tubulars, Inc. ("Ipsco"), Leavitt Tube Corporation ("Leavitt"), Maruichi American Corporation ("Maruichi"), Maverick Tube Corporation ("Maverick"), Northwest Pipe Company ("Northwest"), Sharon Tube Co. ("Sharon"), Western Tube & Conduit Corporation ("Western") and Wheatland Tube Company ("Wheatland").

[3]The domestic producers define "standard pipe" as steel pipes and tubes with an outside diameter of 0.372 inches or more, but not more than 16 inches, regardless of wall thickness, surface finish, end finish, or industry specification, and generally known as standard pipe. See Domestic Producers' Response to Notice of Institution at Exh. 1 (citing Circular Welded Nonalloy Steel Pipe from China, No. 731-TA-943 (Final), USITC Pub. No. 3523 (July 2002) at III-4 & Table III-2).

accounting for a significant share of Turkish production of CWP, the Commission determined that the respondent interested party group response from Turkey was adequate.

Because the group responses from both domestic interested parties and respondent interested parties were adequate in the reviews of the orders concerning CWP from Mexico and Turkey, the Commission determined to conduct full reviews in these proceedings.

The Commission further found that the respondent interested party group responses were inadequate with respect to the review of orders on CWP from Brazil, India, Korea, Taiwan, and Thailand, as no responses were received from any respondent interested parties. Nevertheless, the Commission decided to conduct full reviews of these orders to promote administrative efficiency in light of its decision to conduct full reviews with respect to the orders on CWP from Mexico and Turkey.

**Light-walled Rectangular Tube from Argentina and Taiwan, Invs. Nos. 731-TA-409-410 (Second Review).**

With respect to the orders concerning light-walled rectangular tube ("LWR") from Argentina and Taiwan, the Commission determined that the domestic interested party group response was adequate. The Commission received a consolidated response from eight domestic producers that account for a significant percentage of domestic production of LWR.[4] The Commission found the individual response of each of the eight domestic LWR producers, which contained company-specific data, adequate.

The Commission determined that the respondent interested party group response was inadequate in each review. No responses were received from any respondent interested parties. The Commission nevertheless voted to conduct full reviews to promote administrative efficiency in light of the Commission's determination to conduct full reviews of other orders in these grouped reviews. [5]

A record of the Commissioners' votes is available from the Office of the Secretary and on the Commission's website (http://www.usitc.gov).

---

[4]These producers include Allied, Copperweld, Hannibal Industries, Inc., Leavitt, Maruichi, Northwest, Searing Industries, Inc., and Western.

[5]Vice Chairman Okun and Commissioners Hillman and Pearson voted to conduct expedited reviews of the two LWR orders because the respondent interested party group response for both orders was inadequate.

The Commission has stated that a decision to expedite a review requires a majority vote of the Commission, and thus, it will conduct a full review of these grouped orders, because the Commission was evenly divided on whether to expedite these reviews. 63 Fed. Reg. 30599, 30604 (June 5, 1998).

# APPENDIX B

# HEARING WITNESSES

## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

| | |
|---|---|
| **Subject:** | Certain Pipe and Tube from Argentina, Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey |
| **Inv. Nos.:** | 701-TA-253 and 731-TA-132, 252, 271, 273, 409, 410, 532-534, and 536 (Second Review) |
| **Date and Time:** | May 9, 2006 - 9:30 a.m. |

Sessions were held in connection with these reviews in the Main Hearing Room, 500 E Street (room 101), S.W., Washington, D.C.

**CONGRESSIONAL WITNESS:**

**The Honorable Phil English, U.S. Congressman, U.S. House of Representatives, 3rd District, Pennsylvania**

**OPENING REMARKS:**

In Support of Continuation of Orders (**Roger B. Schagrin**,
Schagrin Associates )
In Opposition to Continuation of Orders (**Jeffrey M. Winton**,
Preston Gates Ellis & Rouvelas Meeds LLP)

**In Support of the Continuation of the Antidumping and Countervailing Duty Orders:**

Schagrin Associates
Washington, D.C.
on behalf of

Allied Tube and Conduit Corporation;
Atlas Tube; Hannibal Industries;
IPSCO Tubulars, Inc.; Leavitt Tube;
Maruichi American Corporation;
Maverick Tube Corporation;
Northwest Pipe Company; Sharon
Tube Company; Searing Industries;
Western Tube and Conduit; and
Wheatland Tube

**Steve Bailow**, Regional Representative, Fence Products, Allied Tube and Conduit Corporation

**Scott Barnes**, Vice President, Commercial, IPSCO Tubulars, Inc.

**Mike Stefko**, Sales Manager, Industrial Products, IPSCO Tubulars, Inc.

**Mark Magno**, Vice President, Marketing, Wheatland Tube Company

**William Klinefelter**, Vice President-Legislative Director, United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

**Robert A. Blecker**, Economist, Schagrin Associates

**Robert E. Scott**, Economist, Schagrin Associates

**Roger B. Schagrin** ) – OF COUNSEL

**In Support of the Continuation of the Antidumping and Countervailing Duty Orders (continued):**

Skadden, Arps, Slate, Meagher & Flom LLP
Washington, D.C.
on behalf of

United States Steel Corporation ("U.S. Steel")

**Leslie J. Broglie**, General Manager, Tubular Products, U.S. Steel

**Stephen J. Narkin** ) – OF COUNSEL

**In Opposition to the Continuation of the Antidumping and Countervailing Duty Orders:**

Preston Gates Ellis & Rouvelas Meeds LLP
Washington, D.C.
on behalf of

Hylsa, S.A. de C.V. ("Hylsa")
Siderar S.A.I.C. ("Siderar")

**Jeffrey M. Winton** )
) – OF COUNSEL
**Joshua A. Rogin** )

**REBUTTAL/CLOSING REMARKS:**

In Support of Continuation of Orders (**Roger B. Schagrin**, Schagrin Associates)
In Opposition to Continuation of Orders (**Jeffrey M. Winton**, Preston Gates Ellis & Rouvelas Meeds LLP)

# APPENDIX C

# SUMMARY DATA

**Table C-1**
**Circular welded pipe and tube: Summary data concerning the U.S. market, 1999-2005**

(Quantity=1,000 short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

| | Reported data | | | | | | | Period changes | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Item | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 1999-2005 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 |
| U.S. consumption quantity: | | | | | | | | | | | | | | |
| Amount | 2,348 | 2,777 | 2,519 | 2,236 | 2,064 | 2,422 | 2,339 | -0.4 | 18.2 | -9.3 | -11.2 | -7.7 | 17.4 | -3.4 |
| Producers' share (1) | 72.2 | 63.2 | 66.5 | 66.4 | 66.2 | 60.2 | 56.0 | -16.2 | -9.0 | 3.3 | -0.0 | -0.2 | -6.0 | -4.2 |
| Importers' share (1): | | | | | | | | | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 10.1 | 13.6 | 11.7 | 13.8 | 8.9 | 9.2 | 7.5 | -2.6 | 3.5 | -1.9 | 2.1 | -4.9 | 0.3 | -1.7 |
| All other sources | 17.7 | 23.3 | 21.8 | 19.8 | 24.9 | 30.5 | 36.5 | 18.7 | 5.5 | -1.4 | -2.1 | 5.1 | 5.7 | 5.9 |
| Total imports | 27.8 | 36.8 | 33.5 | 33.6 | 33.8 | 39.8 | 44.0 | 16.2 | 9.0 | -3.3 | 0.0 | 0.2 | 6.0 | 4.2 |
| U.S. consumption value: | | | | | | | | | | | | | | |
| Amount | 1,257,304 | 1,474,994 | 1,266,218 | 1,154,799 | 1,167,870 | 1,854,804 | 1,994,144 | 58.6 | 17.3 | -14.2 | -8.8 | 1.1 | 58.8 | 7.5 |
| Producers' share (1) | 74.7 | 66.5 | 70.5 | 69.2 | 69.4 | 65.3 | 60.8 | -13.9 | -8.3 | 4.0 | -1.3 | 0.2 | -4.1 | -4.5 |
| Importers' share (1): | | | | | | | | | | | | | | |
| Brazil | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| India | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Korea | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Mexico | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Taiwan | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Thailand | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Turkey | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Subtotal | 7.8 | 11.0 | 9.0 | 10.7 | 8.0 | 7.0 | 6.5 | -1.3 | 3.2 | -2.0 | 1.7 | -2.7 | -0.9 | -0.5 |
| All other sources | 17.5 | 22.5 | 20.5 | 20.1 | 22.6 | 27.7 | 32.7 | 15.2 | 5.1 | -2.1 | -0.4 | 2.6 | 5.1 | 5.0 |
| Total imports | 25.3 | 33.5 | 29.5 | 30.8 | 30.6 | 34.7 | 39.2 | 13.9 | 8.3 | -4.0 | 1.3 | -0.2 | 4.1 | 4.5 |
| U.S. imports from: | | | | | | | | | | | | | | |
| Brazil: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| India: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Korea: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Mexico: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Taiwan: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Thailand: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Turkey: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Subtotal (subject): | | | | | | | | | | | | | | |
| Quantity | 237 | 376 | 294 | 308 | 184 | 223 | 176 | -25.8 | 59.1 | -21.8 | 4.6 | -40.3 | 21.4 | -21.3 |
| Value | 98,089 | 162,147 | 114,419 | 123,627 | 92,989 | 130,572 | 129,786 | 32.3 | 65.3 | -29.4 | 8.0 | -24.8 | 40.4 | -0.6 |
| Unit value | $414 | $431 | $389 | $401 | $506 | $585 | $739 | 78.4 | 3.9 | -9.7 | 3.3 | 26.0 | 15.6 | 26.4 |
| Ending inventory quantity | 2 | 2 | 3 | 2 | 2 | 3 | 3 | 91.0 | 9.3 | 57.4 | -31.6 | 20.8 | 5.0 | 28.0 |
| All other sources: | | | | | | | | | | | | | | |
| Quantity | 416 | 646 | 550 | 442 | 513 | 740 | 853 | 104.8 | 55.1 | -14.8 | -19.6 | 16.0 | 44.1 | 15.3 |
| Value | 219,634 | 332,426 | 259,002 | 231,602 | 264,078 | 513,122 | 651,863 | 196.8 | 51.4 | -22.1 | -10.6 | 14.0 | 94.3 | 27.0 |
| Unit value | $527 | $515 | $471 | $523 | $514 | $694 | $764 | 44.9 | -2.4 | -8.6 | 11.2 | -1.7 | 34.8 | 10.2 |
| Ending inventory quantity | 1 | 1 | 0 | 0 | 0 | 2 | 7 | 737.5 | -37.5 | -80.0 | -100.0 | (2) | (2) | 219.0 |
| All sources: | | | | | | | | | | | | | | |
| Quantity | 653 | 1,022 | 845 | 750 | 697 | 963 | 1,028 | 57.4 | 56.6 | -17.4 | -11.2 | -7.1 | 38.1 | 6.8 |
| Value | 317,723 | 494,573 | 373,421 | 355,229 | 357,067 | 643,693 | 781,648 | 146.0 | 55.7 | -24.5 | -4.9 | 0.5 | 80.3 | 21.4 |
| Unit value | $487 | $484 | $442 | $473 | $512 | $668 | $760 | 56.3 | -0.6 | -8.6 | 7.1 | 8.2 | 30.5 | 13.7 |
| Ending inventory quantity | 2 | 2 | 3 | 2 | 2 | 5 | 10 | 300.0 | -5.9 | 27.9 | -33.9 | 20.8 | 93.3 | 115.2 |

Table continued on next page.

**Table C-1--Continued**
**Circular welded pipe and tube: Summary data concerning the U.S. market, 1999-2005**

(Quantity=1,000 short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

| | Reported data | | | | | | | Period changes | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Item | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 1999-2005 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 |
| U.S. producers': | | | | | | | | | | | | | | |
| Average capacity quantity . . . . . | 2,926 | 2,883 | 2,640 | 2,510 | 2,601 | 2,661 | 2,629 | -10.1 | -1.5 | -8.4 | -4.9 | 3.6 | 2.3 | -1.2 |
| Production quantity . . . . . | 1,739 | 1,814 | 1,686 | 1,541 | 1,355 | 1,513 | 1,325 | -23.8 | 4.3 | -7.1 | -8.6 | -12.1 | 11.7 | -12.4 |
| Capacity utilization (1) . . . . . | 59.4 | 62.9 | 63.8 | 61.4 | 52.1 | 56.9 | 50.4 | -9.0 | 3.5 | 0.9 | -2.4 | -9.3 | 4.8 | -6.4 |
| U.S. shipments: | | | | | | | | | | | | | | |
| Quantity . . . . . | 1,695 | 1,754 | 1,674 | 1,485 | 1,367 | 1,459 | 1,310 | -22.7 | 3.5 | -4.6 | -11.3 | -8.0 | 6.8 | -10.2 |
| Value . . . . . | 939,581 | 980,421 | 892,797 | 799,570 | 810,803 | 1,211,111 | 1,212,496 | 29.0 | 4.3 | -8.9 | -10.4 | 1.4 | 49.4 | 0.1 |
| Unit value . . . . . | $554 | $559 | $533 | $538 | $593 | $830 | $925 | 66.9 | 0.8 | -4.6 | 1.0 | 10.2 | 39.9 | 11.5 |
| Export shipments: | | | | | | | | | | | | | | |
| Quantity . . . . . | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value . . . . . | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value . . . . . | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity . . . . . | 212 | 240 | 217 | 217 | 183 | 196 | 152 | -28.2 | 13.4 | -9.8 | -0.0 | -15.5 | 7.2 | -22.5 |
| Inventories/total shipments (1) . | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Production workers . . . . . | 2,580 | 2,610 | 2,745 | 2,747 | 2,125 | 2,331 | 2,046 | -20.7 | 1.2 | 5.2 | 0.1 | -22.6 | 9.7 | -12.2 |
| Hours worked (1,000s) . . . . . | 5,427 | 5,664 | 5,864 | 5,318 | 4,611 | 4,675 | 4,097 | -24.5 | 4.4 | 3.5 | -9.3 | -13.3 | 1.4 | -12.4 |
| Wages paid ($1,000s) . . . . . | 89,972 | 96,381 | 98,432 | 96,944 | 85,182 | 90,494 | 79,992 | -11.1 | 7.1 | 2.1 | -1.5 | -12.1 | 6.2 | -11.6 |
| Hourly wages . . . . . | $16.58 | $17.02 | $16.79 | $18.23 | $18.47 | $19.36 | $19.53 | 17.8 | 2.6 | -1.3 | 8.6 | 1.3 | 4.8 | 0.9 |
| Productivity (tons per hour) . . . . | 0.320 | 0.320 | 0.287 | 0.290 | 0.294 | 0.324 | 0.323 | 1.1 | 0.0 | -10.1 | 0.8 | 1.4 | 10.1 | -0.1 |
| Unit labor costs . . . . . | $52 | $53 | $58 | $63 | $63 | $60 | $60 | 16.5 | 2.6 | 9.8 | 7.7 | -0.1 | -4.9 | 0.9 |
| Net sales: | | | | | | | | | | | | | | |
| Quantity . . . . . | 1,729 | 1,801 | 1,712 | 1,470 | 1,401 | 1,499 | 1,348 | -22.0 | 4.1 | -4.9 | -14.1 | -4.7 | 7.0 | -10.1 |
| Value . . . . . | 959,174 | 1,007,248 | 915,465 | 795,982 | 834,561 | 1,243,926 | 1,245,783 | 29.9 | 5.0 | -9.1 | -13.1 | 4.8 | 49.1 | 0.1 |
| Unit value . . . . . | $555 | $559 | $535 | $541 | $596 | $830 | $924 | 66.6 | 0.8 | -4.4 | 1.2 | 10.0 | 39.3 | 11.3 |
| Cost of goods sold (COGS) . . . | 788,301 | 865,003 | 790,334 | 670,514 | 739,311 | 1,013,441 | 1,063,038 | 34.9 | 9.7 | -8.6 | -15.2 | 10.3 | 37.1 | 4.9 |
| Gross profit or (loss) . . . . . | 170,873 | 142,245 | 125,131 | 125,468 | 95,250 | 230,485 | 182,745 | 6.9 | -16.8 | -12.0 | 0.3 | -24.1 | 142.0 | -20.7 |
| SG&A expenses . . . . . | 72,171 | 73,221 | 80,677 | 61,147 | 57,818 | 84,110 | 73,528 | 1.9 | 1.5 | 10.2 | -24.2 | -5.4 | 45.5 | -12.6 |
| Operating income or (loss) . . . . | 98,702 | 69,024 | 44,454 | 64,321 | 37,432 | 146,375 | 109,217 | 10.7 | -30.1 | -35.6 | 44.7 | -41.8 | 291.0 | -25.4 |
| Capital expenditures . . . . . | 33,644 | 23,253 | 18,374 | 37,606 | 29,085 | 23,314 | 31,166 | -7.4 | -30.9 | -21.0 | 104.7 | -22.7 | -19.8 | 33.7 |
| Unit COGS . . . . . | $456 | $480 | $462 | $456 | $528 | $676 | $788 | 72.9 | 5.4 | -3.9 | -1.2 | 15.7 | 28.1 | 16.6 |
| Unit SG&A expenses . . . . . | $42 | $41 | $47 | $42 | $41 | $56 | $55 | 30.6 | -2.6 | 15.9 | -11.8 | -0.8 | 36.0 | -2.8 |
| Unit operating income or (loss) . | $57 | $38 | $26 | $44 | $27 | $98 | $81 | 41.9 | -32.8 | -32.2 | 68.5 | -38.9 | 265.4 | -17.0 |
| COGS/sales (1) . . . . . | 82.2 | 85.9 | 86.3 | 84.2 | 88.6 | 81.5 | 85.3 | 3.1 | 3.7 | 0.5 | -2.1 | 4.3 | -7.1 | 3.9 |
| Operating income or (loss)/ sales (1) . . . . . | 10.3 | 6.9 | 4.9 | 8.1 | 4.5 | 11.8 | 8.8 | -1.5 | -3.4 | -2.0 | 3.2 | -3.6 | 7.3 | -3.0 |

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires, official Commerce statistics, Customs data, and Cansim (Canada) data.

**Table C-2**
**LWR pipe and tube: Summary data concerning the U.S. market, 1999-2005**

(Quantity=1,000 short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

| Item | Reported data | | | | | | | Period changes | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 1999-2005 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 |
| U.S. consumption quantity: | | | | | | | | | | | | | | |
| Amount | 749 | 746 | 668 | 787 | 793 | 763 | 792 | 5.8 | -0.5 | -10.4 | 17.9 | 0.7 | -3.7 | 3.8 |
| Producers' share (1) | 69.8 | 67.3 | 66.5 | 62.6 | 63.4 | 63.7 | 57.4 | -12.4 | -2.5 | -0.8 | -3.9 | 0.7 | 0.3 | -6.3 |
| Importers' share (1): | | | | | | | | | | | | | | |
| Argentina | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.0 | 0.0 | -0.0 | 0.0 | 0.0 |
| Taiwan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.0 | -0.0 | -0.0 | 0.0 | 0.0 | 0.0 |
| Subtotal | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.0 | -0.0 | -0.0 | -0.0 | 0.0 | 0.0 |
| All other sources | 30.2 | 32.7 | 33.5 | 37.4 | 36.6 | 36.3 | 42.6 | 12.3 | 2.5 | 0.8 | 3.9 | -0.7 | -0.3 | 6.3 |
| Total imports | 30.2 | 32.7 | 33.5 | 37.4 | 36.6 | 36.3 | 42.6 | 12.4 | 2.5 | 0.8 | 3.9 | -0.7 | -0.3 | 6.3 |
| U.S. consumption value: | | | | | | | | | | | | | | |
| Amount | 403,990 | 423,193 | 352,957 | 422,226 | 437,124 | 649,020 | 691,926 | 71.3 | 4.8 | -16.6 | 19.6 | 3.5 | 48.5 | 6.6 |
| Producers' share (1) | 74.5 | 71.1 | 70.4 | 66.6 | 67.6 | 67.5 | 61.4 | -13.1 | -3.4 | -0.7 | -3.8 | 1.0 | -0.1 | -6.1 |
| Importers' share (1): | | | | | | | | | | | | | | |
| Argentina | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.0 | 0.0 | -0.0 | 0.0 | 0.0 |
| Taiwan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | -0.0 | -0.0 | -0.0 | 0.0 | 0.0 | 0.0 |
| Subtotal | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | -0.0 | -0.0 | -0.0 | -0.0 | 0.0 | 0.0 |
| All other sources | 25.5 | 28.9 | 29.6 | 33.4 | 32.4 | 32.5 | 38.5 | 13.0 | 3.4 | 0.7 | 3.8 | -1.0 | 0.0 | 6.1 |
| Total imports | 25.5 | 28.9 | 29.6 | 33.4 | 32.4 | 32.5 | 38.6 | 13.1 | 3.4 | 0.7 | 3.8 | -1.0 | 0.1 | 6.1 |
| U.S. imports from: | | | | | | | | | | | | | | |
| Argentina: | | | | | | | | | | | | | | |
| Quantity | 0 | 0.003 | 0 | 0.014 | 0 | 0 | 0 | (2) | (2) | -100.0 | (2) | -100.0 | (2) | (2) |
| Value | 0 | 6 | 0 | 7 | 0 | 0 | 0 | (2) | (2) | -100.0 | (2) | -100.0 | (2) | (2) |
| Unit value | (2) | $2,068 | (2) | $483 | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Ending inventory quantity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Taiwan: | | | | | | | | | | | | | | |
| Quantity | 0.077 | 0.023 | 0.013 | 0 | 0 | 0.059 | 0.277 | 258.4 | -69.9 | -43.1 | -100.0 | (2) | (2) | 372.0 |
| Value | 132 | 48 | 6 | 0 | 0 | 98 | 441 | 233.0 | -63.8 | -86.6 | -100.0 | (2) | (2) | 352.2 |
| Unit value | $1,713 | $2,062 | $484 | (2) | (2) | $1,661 | $1,592 | -7.1 | 20.3 | -76.5 | (2) | (2) | (2) | -4.2 |
| Ending inventory quantity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Subtotal (subject): | | | | | | | | | | | | | | |
| Quantity | 0.077 | 0.026 | 0.013 | 0.014 | 0 | 0.059 | 0.277 | 258.4 | -66.1 | -49.5 | 7.8 | -100.0 | (2) | 372.0 |
| Value | 132 | 54 | 6 | 7 | 0 | 98 | 441 | 233.0 | -59.2 | -88.1 | 7.5 | -100.0 | (2) | 352.2 |
| Unit value | $1,713 | $2,063 | $484 | $483 | (2) | $1,661 | $1,592 | -7.1 | 20.4 | -76.5 | -0.3 | (2) | (2) | -4.2 |
| Ending inventory quantity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| All other sources: | | | | | | | | | | | | | | |
| Quantity | 227 | 244 | 224 | 294 | 290 | 277 | 337 | 48.9 | 7.6 | -8.2 | 31.4 | -1.3 | -4.6 | 21.8 |
| Value | 103,032 | 122,291 | 104,642 | 141,019 | 141,739 | 210,700 | 266,654 | 158.8 | 18.7 | -14.4 | 34.8 | 0.5 | 48.7 | 26.6 |
| Unit value | $455 | $502 | $468 | $479 | $488 | $761 | $790 | 73.8 | 10.3 | -6.8 | 2.5 | 1.8 | 55.8 | 3.9 |
| Ending inventory quantity | 1 | 1 | 1 | 1 | 0 | 1 | 1 | -13.8 | 4.3 | -22.3 | 38.3 | -97.7 | 3,566.7 | -9.1 |
| All sources: | | | | | | | | | | | | | | |
| Quantity | 227 | 244 | 224 | 294 | 290 | 277 | 338 | 49.0 | 7.6 | -8.2 | 31.4 | -1.3 | -4.6 | 21.8 |
| Value | 103,165 | 122,345 | 104,648 | 141,026 | 141,739 | 210,798 | 267,095 | 158.9 | 18.6 | -14.5 | 34.8 | 0.5 | 48.7 | 26.7 |
| Unit value | $455 | $502 | $468 | $479 | $488 | $761 | $791 | 73.8 | 10.2 | -6.8 | 2.5 | 1.8 | 55.8 | 4.0 |
| Ending inventory quantity | 1 | 1 | 1 | 1 | 0 | 1 | 1 | -13.8 | 4.3 | -22.3 | 38.3 | -97.7 | 3,566.7 | -9.1 |
| U.S. producers': | | | | | | | | | | | | | | |
| Average capacity quantity | 901 | 893 | 894 | 924 | 883 | 891 | 886 | -1.6 | -0.9 | 0.1 | 3.4 | -4.5 | 0.9 | -0.5 |
| Production quantity | 544 | 518 | 450 | 507 | 503 | 488 | 451 | -17.1 | -4.7 | -13.2 | 12.7 | -0.7 | -3.0 | -7.6 |
| Capacity utilization (1) | 60.3 | 58.0 | 50.3 | 54.8 | 57.0 | 54.8 | 50.9 | -9.5 | -2.3 | -7.7 | 4.5 | 2.2 | -2.2 | -3.9 |
| U.S. shipments: | | | | | | | | | | | | | | |
| Quantity | 523 | 502 | 444 | 493 | 502 | 486 | 455 | -13.0 | -4.0 | -11.5 | 11.0 | 1.9 | -3.2 | -6.4 |
| Value | 300,825 | 300,848 | 248,309 | 281,200 | 295,385 | 438,222 | 424,830 | 41.2 | 0.0 | -17.5 | 13.2 | 5.0 | 48.4 | -3.1 |
| Unit value | $576 | $600 | $559 | $570 | $588 | $902 | $934 | 62.3 | 4.2 | -6.7 | 2.0 | 3.1 | 53.3 | 3.6 |
| Export shipments: | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | 66 | 73 | 66 | 73 | 69 | 66 | 60 | -8.6 | 10.1 | -8.7 | 10.9 | -5.8 | -4.7 | -8.5 |
| Inventories/total shipments (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Production workers | 1,093 | 1,050 | 978 | 1,058 | 1,099 | 1,068 | 1,059 | -3.1 | -3.9 | -6.9 | 8.2 | 3.9 | -2.8 | -0.8 |
| Hours worked (1,000s) | 1,807 | 1,766 | 1,559 | 1,680 | 1,998 | 1,867 | 1,770 | -2.0 | -2.3 | -11.7 | 7.7 | 18.9 | -6.6 | -5.2 |
| Wages paid ($1,000s) | 28,178 | 27,048 | 25,256 | 29,610 | 34,092 | 34,009 | 32,999 | 17.1 | -4.0 | -6.6 | 17.2 | 15.1 | -0.2 | -3.0 |
| Hourly wages | $15.59 | $15.32 | $16.20 | $17.63 | $17.07 | $18.22 | $18.64 | 19.6 | -1.8 | 5.8 | 8.8 | -3.2 | 6.8 | 2.3 |
| Productivity (tons per hour) | 0.301 | 0.293 | 0.288 | 0.302 | 0.252 | 0.261 | 0.255 | -15.4 | -2.5 | -1.7 | 4.6 | -16.5 | 3.8 | -2.6 |
| Unit labor costs | $52 | $52 | $56 | $58 | $68 | $70 | $73 | 41.2 | 0.7 | 7.6 | 4.1 | 16.0 | 2.8 | 5.0 |
| Net sales: | | | | | | | | | | | | | | |
| Quantity | 499 | 477 | 421 | 467 | 509 | 490 | 457 | -8.4 | -4.5 | -11.7 | 11.0 | 9.0 | -3.8 | -6.6 |
| Value | 288,564 | 288,059 | 234,075 | 265,797 | 297,840 | 441,580 | 428,401 | 48.5 | -0.2 | -18.7 | 13.6 | 12.1 | 48.3 | -3.0 |
| Unit value | $578 | $604 | $556 | $569 | $585 | $901 | $936 | 62.0 | 4.6 | -7.9 | 2.3 | 2.8 | 54.0 | 3.9 |
| Cost of goods sold (COGS) | 226,206 | 233,531 | 188,135 | 210,432 | 252,677 | 337,733 | 356,747 | 57.7 | 3.2 | -19.4 | 11.9 | 20.1 | 33.7 | 5.6 |
| Gross profit or (loss) | 62,358 | 54,528 | 45,940 | 55,365 | 45,163 | 103,847 | 71,654 | 14.9 | -12.6 | -15.8 | 20.5 | -18.4 | 129.9 | -31.0 |
| SG&A expenses | 22,165 | 22,804 | 22,089 | 24,374 | 23,682 | 30,408 | 26,978 | 21.7 | 2.9 | -3.1 | 10.3 | -2.8 | 28.4 | -11.3 |
| Operating income or (loss) | 40,193 | 31,724 | 23,851 | 30,991 | 21,481 | 73,438 | 44,676 | 11.2 | -21.1 | -24.8 | 29.9 | -30.7 | 241.9 | -39.2 |
| Capital expenditures | 7,698 | 8,578 | 7,727 | 5,768 | 10,842 | 9,973 | 7,434 | -3.4 | 11.4 | -9.9 | -25.4 | 88.0 | -8.0 | -25.5 |
| Unit COGS | $453 | $490 | $447 | $451 | $496 | $689 | $780 | 72.1 | 8.1 | -8.7 | 0.8 | 10.1 | 38.9 | 13.1 |
| Unit SG&A expenses | $44 | $48 | $53 | $52 | $47 | $62 | $59 | 32.8 | 7.8 | 9.7 | -0.6 | -10.9 | 33.4 | -5.0 |
| Unit operating income or (loss) | $81 | $67 | $57 | $66 | $42 | $150 | $98 | 21.3 | -17.3 | -14.8 | 17.1 | -36.4 | 255.2 | -34.8 |
| COGS/sales (1) | 78.4 | 81.1 | 80.4 | 79.2 | 84.8 | 76.5 | 83.3 | 4.9 | 2.7 | -0.7 | -1.2 | 5.7 | -8.4 | 6.8 |
| Operating income or (loss)/ sales (1) | 13.9 | 11.0 | 10.2 | 11.7 | 7.2 | 16.6 | 10.4 | -3.5 | -2.9 | -0.8 | 1.5 | -4.4 | 9.4 | -6.2 |

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of the U.S. Department of Commerce.

# APPENDIX D

## U.S. PRODUCERS', IMPORTERS', PURCHASERS', AND FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

**Table-D-1**
**Circular welded pipe and tube: U.S. producers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| Allied | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| ACIPCO | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Atlas Tube | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Bull Moose Tube Co. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| California Steel Industries, Inc. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| IPSCO | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Leavitt Tube Company | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Lone Star Steel Company | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Maruichi American Corp. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Maverick Tube | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Newport Steel Corporation | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Newport Steel Corporation | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Northwest Pipe Company | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Southland Pipe Nipples Co., Inc. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Sharon Tube Company | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Stupp Corporation | II-14 (of orders) | *** |
| | II-15 (of revocation) | ***. |
| Tex-Tube Company | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |

Table continued on the following page.

**Table-D-1 – *Continued***
**Circular welded pipe and tube: U.S. producers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| United States Steel Corporation | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Western Tube & Conduit Corporation | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Wheatland Tube Co. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

**Table-D-2**
**LWR pipe and tube: U.S. producers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| Allied Tube & Conduit | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Bull Moose Tube Company | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| California Steel & Tube | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Hannibal Industries Inc. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | *** |
| Leavitt Tue Company, LLC | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Tubular Products Division, Leggett & Platt, Inc. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Maruichi American Corp | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Maverick Tube L.P. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Northwest Pipe Company | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Searing Industries | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Western Tube & Conduit Corp. | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

**Table-D-3**
**Circular welded pipe and tube: U.S. importers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| Alpha Steel Sales Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Asoma LLC | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Borusan Mannersmann Boru Sanayi ve Ticaret A.S. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Commercial Metals Co. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Core Co. Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| CPW America Co. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Dosco America, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Exim America Trading, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Falcon Metal LLC | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Global Business, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Greenwood International, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Hanwa American Corp. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Husteel USA, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Hyundai Corporation USA | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Hyundai Pipe of America | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| ISPCO Tubulars Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| James Steel, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Kurt Orban Partners LLC | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Man Ferrostaal Inco. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |

Table continued on the following page.

**Table-D-3 – *Continued***
**Circular welded pipe and tube: U.S. importers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| MB Metals Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Mitsui Steel Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| North Pacific Group, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Northwest Wood Specialties | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Santana Nursery | II-8 (of orders) | *** |
| | II-9 (of revocation) | ***. |
| SeAH Steel America | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Steelco, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Stemco USA Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| S&P Steel Products & Services, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***! |
| Totem Steel International | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Toyota Tsusho America, Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Voestalpine Elmsteel Inc. | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

**Table-D-4**
**LWR pipe and tube: U.S. importers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| MAN Ferrostaal | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Maruichi American Corp | II-8 (of orders) | ***. |
| | II-9 (of revocation) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

**Table-D-5**
**Circular welded pipe and tube: U.S. purchasers' comments regarding the effects of the revocation of the orders on the activities of their firms, and on the entire U.S. market**

| Producer | Question | Response |
|---|---|---|
| Beck Manufacturing | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Central Steel & Wire Company | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Chicago Tube and Iron | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Consolidated Pipe and Supply Co. Inc. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Columbia Pipe and Supply | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Deacon Industrial Supply | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Ferguson Fire and Fabrication | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Hughes Supply Inc. | III-38 (1) (firm) | *** . |
| | III-38 (2) (market) | ***.. |
| Kelly Pipe Company | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| McJunkin Corporation | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Marmon Keystone | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Master Halco | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Morris Industries Inc. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Mountain States Fence Co., Inc. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Ramcast Ornamental Supply | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Reliance Steel Co. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Ryerson, Inc. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |

Table continued on the following page.

**Table-D-5--*Continued***
**Circular welded pipe and tube: U.S. purchasers' comments regarding the effects of the revocation of the orders on the activities of their firms, and on the entire U.S. market**

| Producer | Question | Response |
|---|---|---|
| Security Contractor Services | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Smith Pipe and Steel | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Swan Fence Inc. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

**Table-D-6**
**LWR pipe and tube: U.S. purchasers' comments regarding the effects of the revocation of the orders on the activities of their firms, and on the entire U.S. market**

| Producer | Question | Response |
|---|---|---|
| Alro Steel Corp. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Central Steel and Wire | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Eagle Bend Mfg. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| J&D Metal Building | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| McElroy Metal Mill | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Norton Metals, Inc. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Pacific Steel and Recycling | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Patton Sales Corp. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| PDM Steel Service Centers, Inc. | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Ramcast Ornamental Supply | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Sweetwater Supply Company | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Wheeler Metals | III-38 (1) (firm) | ***. |
| | III-38 (2) (market) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

**Table-D-7**
**Circular welded pipe and tube: Foreign producers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Turkey) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Erbosan Erciyas Boru Sanayii Ve Ticaret A.S. (Turkey) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Guven Boru Profil Sanayi Ve Ticaret Limited Sirketi (Turkey) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Husteel Co., Ltd. (Korea) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Hylsa, S.A. de C.V. (Mexico) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Noksel Steel Pipe Co., Inc. (Turkey) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Productos Laminados de Monterrey, S.A. de C.V. (Mexico) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Tata Steel Limited (India_ | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Tuberia Nacional S.A. de C.V. (Mexico) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

**Table-D-8**
**LWR pipe and tube: Foreign producers' comments regarding the effects of the orders and the likely effects of revocation**

| Producer | Question | Response |
|---|---|---|
| Siderar (Argentina) | II-14 (of orders) | ***. |
| | II-15 (of revocation) | ***. |
| Source: Compiled verbatim from responses to Commission's questionnaires. | | |

# APPENDIX E

# SUPPLEMENTAL INFORMATION ON SUBJECT FOREIGN INDUSTRIES

**Table E-1**
**Carbon steel pipe and tube: Capacity figures for Argentine producers**

| Company [1] | Location | No. of mills or production lines [2] | Published capacity (tons) [2] | Reported production (tons) | Size range (inches) [3] |
|---|---|---|---|---|---|
| Acindar S.A. | Buenos Aires | 10 | 61,000 | ([4]) | ([4]) |
| M.Royo S.A. | Buenos Aires | 11 | ([4]) | ([4]) | ([4]) |
| Tubhier S.A. | Buenos Aires | 6 | ([4]) | ([4]) | 4 to 7 |

[1] Data include other types of tube beyond the scope of the reviews.
[2] For the whole company
[3] For LWR operations only.
[4] Published data not available.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)

**Table E-2**
**Carbon steel pipe and tube: Capacity figures for Brazilian producers**

| Company [1] | Location | No. of mills or production lines | Published capacity (tons) | Reported production (tons) | Size range (O.D., in inches) |
|---|---|---|---|---|---|
| Apolo Tubos e Equipmentos (Apolo Pipes and Equipments) | Unidade de Producao Lorena | 8 | 183,000 | ([2]) | 0.405 to 8.625 |
| Metalurgica de Tubos de Precisao (MTP) (previous name Mannesmann Tubos de Precisao) | Guarul'hos, São Paolo | 12 | not reported | ([2]) | 0.472 to 4.724 |
| SA Tubonal | Belo Horizonte, MG | 6 | not reported | ([2]) | 6.5 to 4.5 |
| V&M do Brasil (previously Mannesmann) | Belo Horizonte, MG | 22 | 661,000 | ([3]) | 0.313 to 14 |

[1] Data include seamless, light-walled rectangular, and other types of tubes beyond the scope of the reviews.
[2] Published data not available.
[3] The Commission received a 'no' questionnaire response from this firm.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)

**Table E-3**
**Carbon steel pipe and tube: Capacity figures for Indian producers**

| Company [1] | Location | No. of mills or production lines | Published capacity (tons) | Reported production (tons) | Size range (O.D., in inches) |
|---|---|---|---|---|---|
| Ajanta Tubes Ltd. | New Delhi | 2 | 127,000 | ([2]) | 8.4 to 14 |
| Bhushan Ltd. | Chandigarth | 4 | 661,000 | ([2]) | 0.346 to 4.500 |
| Bihar Tubes Ltd. (BTL) | Vikas Marg, Delhi | 4 | 110,000 | ([2]) | 0.84 to 8.625 |
| BMW Industries Ltd. (Tube Division) | Kolkata | 7 | | ([2]) | 2.5 to 12.750 |
| Gemini Steel Tubes Ltd. | Bangalore, Karnataka | 4 | 13,000 | ([2]) | 0.5 to 3 |
| Goodluck Steel Tubes Ltd. (GTC) | Ghaziabad | 7 | 110,000 | ([2]) | 0.675 to 8.625 |
| Jagan Tubes Ltd. | Mandi Gobindgarh | 3 | 132,000 | ([2]) | 0.835 to 6.504 |
| Jindal Pipes Ltd. | New Delhi | 9 | 220,000 | ([2]) | 0.84 to 14 |
| Laxmi Pipes Limited | New Delhi | 4 | ([3]) | ([3]) | 0.835 to 6.5 |
| Lloyds Metals & Engineers Ltd. | Dombivli | 6 | 83,000 | ([2]) | 0.84 to 14 |
| Maharashtra Seamless Ltd. | New Delhi | 12 | 165,000 | ([2]) | 0.313 to 20 |
| Metalex Pipes Ltd. | New Delhi | 7 | ([2]) | ([2]) | 0.835 to 10.75 |
| Mukat Pipes Ltd. | Rajpura, Patiala, Punjab | 2 | ([2]) | ([2]) | .84 to 12.75 |
| Nezone Tube Ltd. | Kolkata, West Bangal | 6 | ([2]) | ([2]) | 0.827 to 8.625 |
| Shakti Tubes Limited | Bihar | 3 | ([2]) | ([2]) | 0.835 to 6.504 |
| Siddharta Tubes Limited (Tubes Division) | Rajgarh, Saranpur | 4 | ([2]) | ([2]) | 0.675 to 8.625 |
| Sri Sarbati Steel Tubes Ltd. (SSST) | Chennai | 2 | ([2]) | ([2]) | .835 to 8.625 |
| Steel Authority of India Ltd. | New Delhi | 4 | ([2]) | ([2]) | 8.516 to 64 |
| Surya Steel Pipe Ltd. | New Delhi | 9 | 331,000 | ([2]) | 0.84 to 20 |
| Thakkarsons Auto Ancillary (India) Ltd. (TAAL Premium Tubes) | Mumbai | 4 | ([2]) | ([2]) | 0.84 to 3.5 |

[1] Data include seamless, light-walled rectangular, and other types of tubes beyond the scope of the reviews.
[2] Published data not available.
[3] The Commission received a 'no' questionnaire response from this firm.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)

**Table E-4**
**Carbon steel pipe and tube: Capacity figures for Korean producers**

| Company [1] | Location | No. of mills or production lines | Published capacity (tons) | Reported production (tons) | Size range (O.D., in inches) |
|---|---|---|---|---|---|
| Dongbu Steel Co. Ltd. | Seoul | 14 | 240,000 | ([2]) | 5.5 to 104 |
| Hanil Iron & Steel Co Ltd. | Seoul | 3 | 165,000 | ([2]) | 0.675 to 12,75 |
| Husteel Co. Ltd. | Seoul | 14 | 772,000 | ([2]) | 0.591to 24 |
| Hyundai Pipe Co Ltd. | Ulsan | 22 | 1,102,000 | ([2]) | 0.375 to 104 |
| Miju Steel Making Co. | Seoul | 8 | ([2]) | ([2]) | 0.375 to 110 |
| SeAH Steel Corp. | Seoul | 28 | ([2]) | ([2]) | 0.375 to 104 |

[1] Data include seamless, light-walled rectangular, and other types of tubes beyond the scope of the reviews.
[2] Published data not available.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)

**Table E-5**
**Carbon steel pipe and tube: Capacity figures for Mexican producers**

| Company [1] | Location | No. of mills or production lines | Published capacity (tons) | Reported production in 2005 (tons) | Size range (O.D., in inches) |
|---|---|---|---|---|---|
| Fabrica de Tubos Bufalo SA | Mexico City | 1 | 11,000 | ([2]) | 3 |
| Galvak, S.A. de C.V. | Nuevo Leon | 1 | 66,000 | ([3]) | 0.5 to 3.5 |
| Hylsa S.A. de C.V. | Nuevo Leon | 6 | ([2]) | *** | 0.840 to 6.625 |
| Industrial Formacero, S.A. de C.V. | Industrial Vallejo | 3 | ([2]) | ([2]) | 0.675 to 3.5 |
| La Metalica, S.A. | Mexico, D.F. | 1 | ([2]) | ([2]) | 0.375 to 4.488 |
| Tuberia Laguna S.A. de C.V. | Parque Industrial Lagunero | 3 | 138,000 | ([3]) | 6.625 to 24 |
| Tuberia Nacional S.A. de C.V. | Nuevo Leon | 7 | ([2]) | *** | 0.84 to 4.5 |

[1] Including seamless, light-walled rectangular, and other types of tubes beyond the scope of the reviews.
[2] Published data not available.
[3] The Commission received a 'no' questionnaire response from this firm.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)

**Table E-6**
**Carbon steel pipe and tube: Capacity figures for Taiwanese producers**

| Company [1] | Location | No. of mills or production lines [2] | Published capacity (tons) [2] | Reported production (tons) | Size range ( inches) [3] |
|---|---|---|---|---|---|
| Far East Machinery Co. Ltd. | Chiayi | 15 | 159,000 | ([4]) | 1 to 19.7 |
| Jaung Yuann Enterprise Co., Ltd. | Yun-Lin | 5 | 5,000 | ([4]) | ([4]) |
| Kounan Steel Co. Ltd. | Kaohsiung Shiann | 4 | ([4]) | ([4]) | ([4]) |
| Mayer Steel Pipe Corp. | Taipei | 7 | ([4]) | ([4]) | ([4]) |
| Yeun Chyang | Chang-Hwa | 7 | 40,000 | ([4]) | 0.5 to 6.3 |
| Yieh Hsing Enterprise Co. Ltd. | Kaohsiung County | 9 | 269,000 | ([4]) | ([4]) |
| Yieh Loong | Kaohsiung Hsien | 9 | 110,000 | ([4]) | 1.6 to 7.9 |

[1] Data include seamless, light-walled rectangular, and other types of tubes beyond the scope of the reviews, unless otherwise indicated.
[2] For the whole company
[3] For LWR operations only.
[4] Published data not available.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)

**Table E-7**
**Carbon steel pipe and tube: Capacity figures for Thai producers**

| Company [1] | Location | No. of mills or production lines | Published capacity (tons) | Reported capacity (tons) | Size range (O.D., in inches) |
|---|---|---|---|---|---|
| Samchai Steel Industries PCL. | Samutsakom | 10 | 165,000 | ([2]) | 0.375 to 6.625 |
| Siam Matsushitaq Steel Co, Ltd | Samutprakam | 9 | ([2]) | ([2]) | 0.706 to 6.5 |
| Thai Union Steel Co. Ltd. | Bangkok | 10 | ([2]) | ([2]) | 0.5 to 6.625 |

[1] Data include seamless, light-walled rectangular, and other types of tubes beyond the scope of the reviews.
[2] Published data not available.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)

**Table E-8**
**Carbon steel pipe and tube: Capacity figures for Turkish producers**

| Company [1] | Location | No. of mills or production lines | Published capacity (tons) | Reported production (tons) | Size range (O.D., in inches) |
|---|---|---|---|---|---|
| Borusan Birlesik Boru Fabrikalari A.S. | Istanbul | 12 | 400,000 | ([2]) | 0.197 to 12.75 |
| Cayirova Boru Sanayii Ve Ticaret A.S. | Istanbul | 8 | 331,000 | ([2]) | 0.54 to 12.795 |
| Erbosan Erciyas Boru Sanyii Ve Ticaret A.S. | Kayseri | 6 | 154,000 | ([2]) | 0.84 to 8.625 |
| Kalibre Boru Sanayi Ve Ticaret A.S. | Kocaeli | 4 | 22,000 | ([2]) | 0.157 to 5.906 |
| MMZ Onur Boru Profil uretim San. Ve Tic. A.S. | Istanbul | 10 | 220,000 | ([2]) | 0.472 to 10.750 |
| Ozborsan Tube Industry Inc. | Istanbul | 10 | ([2]) | ([2]) | 0.472 to 10.75 |
| OZMAK Makina ve Elektrik Sanayi A.S. | Ankara | 7 | 132,000 | ([2]) | 0.835 to 100 |
| Yasan Yassi Metal San. Tic. AS | Istanbul | 5 | 220,000 | ([2]) | 0.512 to 5 |

[1] Data include seamless, light-walled rectangular, and other types of tubes beyond the scope of the reviews.
[2] Published data not available.

Source: *Simdex Steel Tube Manufacturers Worldwide Guide*, Simdex Publishing, Buc, France (found at http://www.metaldata.info/eng/sinquiry.php)