

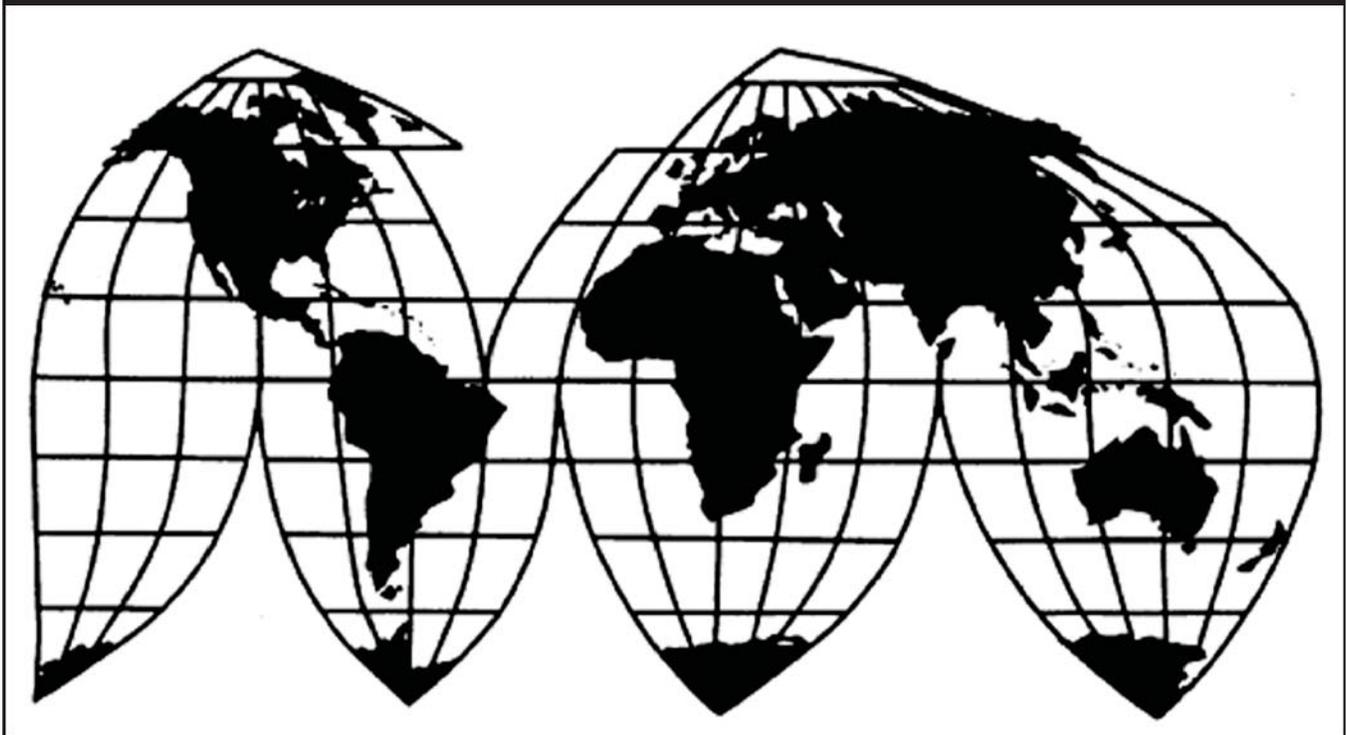
Certain Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam

Investigation Nos. 701-TA-499-500 and
731-TA-1215-1217 and 1219-1223 (Final)

Publication 4489

September 2014

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Meredith M. Broadbent, Chairman

Dean A. Pinkert, Vice Chairman

Irving A. Williamson

David S. Johanson

F. Scott Kieff

Rhonda K. Schmidlein

Robert B. Koopman

Director of Operations

Staff assigned

Michael Szustakowski, Investigator

Alan Treat, Industry Analyst

Craig Thomsen, Economist

Charles Yost, Accountant

Russell Duncan, Statistician

Peter Sultan, Attorney

Nataline Viray-Fung, Attorney

Jonathan Connelly, Intern

Daniel Hernandez, Intern

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 Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam

Investigation Nos. 701-TA-499-500 and
731-TA-1215-1217 and 1219-1223 (Final)

Publication 4489



September 2014

CONTENTS

	Page
Determinations	1
Views of the Commission	3
Separate and Dissenting Views of Chairman Meredith M. Broadbent on Negligibility	55
Part I: Introduction	I-1
Background.....	I-1
Statutory criteria and organization of the report	I-2
Statutory criteria	I-2
Organization of report.....	I-3
Market summary	I-4
Summary data and data sources.....	I-4
Previous and related investigations	I-5
Antidumping and countervailing duty investigations	I-5
Safeguard investigations	I-7
Nature and extent of subsidies and sales at LTFV	I-8
Subsidies	I-8
Sales at LTFV	I-10
The subject merchandise	I-12
Commerce’s scope	I-12
Tariff treatment.....	I-13
The product	I-13
Overview.....	I-13
Description and applications	I-14
Manufacturing processes	I-21
Domestic like product issues.....	I-28
Intermediate products	I-29
Uses	I-30
Markets.....	I-30
Characteristics and functions	I-31
Value	I-31

CONTENTS

	Page
Transformation process.....	I-31
Part II: Supply and demand information	II-1
U.S. market characteristics.....	II-1
Channels of distribution	II-1
Geographic distribution.....	II-3
Supply and demand considerations	II-4
Supply	II-4
Demand	II-11
Substitutability issues.....	II-18
Purchaser characteristics.....	II-18
Knowledge of country sources	II-19
Factors affecting purchasing decisions.....	II-21
Comparisons of domestic products, subject imports, and nonsubject imports	II-26
Elasticity Estimates.....	II-47
U.S. supply elasticity	II-47
U.S. demand elasticity	II-47
Substitution elasticity	II-47
Part III: U.S. producers' production, shipments, and employment	III-1
U.S. producers	III-1
U.S. production, capacity, and capacity utilization	III-3
Overall pipe forming and heat treatment production, capacity, and capacity utilization .	III-3
OCTG production, capacity, and capacity utilization	III-8
Processors' inclusion in the industry.....	III-10
U.S. producers' U.S. shipments and exports.....	III-11
U.S. producers' inventories.....	III-13
U.S. producers' imports.....	III-14
U.S. employment, wages, and productivity	III-14

CONTENTS

	Page
Part IV: U.S. imports, apparent U.S. consumption, and market shares	IV-1
U.S. importers.....	IV-1
U.S. imports.....	IV-4
Critical circumstances.....	IV-7
Negligibility.....	IV-10
Cumulation considerations	IV-11
Fungibility	IV-12
Presence in the market	IV-20
Geographical markets	IV-21
Apparent U.S. consumption	IV-21
U.S. market shares	IV-21
Ratio of imports to production	IV-24
Part V: Pricing data	V-1
Factors affecting prices	V-1
Raw material costs	V-1
U.S. inland transportation costs	V-3
Pricing practices	V-4
Pricing methods.....	V-4
Sales terms and discounts	V-8
Price data.....	V-9
Price trends.....	V-20
Price comparisons	V-21
Lost sales and lost revenues.....	V-25
Part VI: Financial experience of U.S. producers.....	VI-1
Background.....	VI-1
Operations on OCTG.....	VI-2
Variance analysis	VI-9
Capital expenditures and research and development expenses	VI-11

CONTENTS

	Page
Assets and return on investment.....	VI-12
Capital and investment	VI-13
Part VII: Threat considerations and information on nonsubject countries	VII-1
The industry in India.....	VII-3
Operations on OCTG.....	VII-4
Alternative products.....	VII-5
The industry in Korea	VII-5
Operations on OCTG.....	VII-6
Alternative products.....	VII-7
The industry in the Philippines.....	VII-8
Operations on OCTG.....	VII-8
Alternative products.....	VII-9
The industry in Saudi Arabia	VII-9
Operations on OCTG.....	VII-11
Alternative products.....	VII-12
The industry in Taiwan	VII-13
Operations on OCTG.....	VII-14
Alternative products.....	VII-14
The industry in Thailand	VII-15
Operations on OCTG.....	VII-15
Alternative products.....	VII-16
The industry in Turkey.....	VII-16
Operations on OCTG.....	VII-17
Alternative products.....	VII-18
The industry in Ukraine	VII-18
Operations on OCTG.....	VII-19
Alternative products.....	VII-20
The industry in Vietnam	VII-20

CONTENTS

	Page
Operations on OCTG.....	VII-22
Alternative products.....	VII-22
Subject countries combined	VII-23
U.S. inventories of imported merchandise	VII-24
U.S. importers' outstanding orders.....	VII-24
Antidumping or countervailing duty orders in third-country markets	VII-25
Information on nonsubject countries	VII-25
Argentina	VII-34
Canada	VII-35
Germany	VII-37
Japan.....	VII-38
Mexico	VII-40
Recent OCTG operations in select nonsubject countries.....	VII-41
Appendixes	
A. <i>Federal Register</i> notices.....	A-1
B. List of hearing witnesses.....	B-1
C. Summary data.....	C-1
D. U.S. producers' and U.S. importers' shipments and imports of OCTG by type	D-1
E. Quarterly nonsubject country price data	E-1
F. Alleged effects of imports on capital and investment	F-1
G. Key tables for post-Saudi Arabia amended negative determination.....	G-1

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-499-500 and 731-TA-1215-1217 and 1219-1223 (Final)

CERTAIN OIL COUNTRY TUBULAR GOODS FROM INDIA, KOREA, THE PHILIPPINES, TAIWAN,
THAILAND, TURKEY, UKRAINE, AND VIETNAM

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to sections 705(b) and 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1671d(b)) and (19 U.S.C. § 1673d(b)) (“the Act”), that an industry in the United States is materially injured by reason of imports of certain oil country tubular goods from India, Korea, Turkey, Ukraine, and Vietnam, provided for in subheadings 7304.29, 7305.20, and 7306.29 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”) and to be subsidized by the governments of India and Turkey.² The Commission also determines, pursuant to section 735(b) of the Act, that an industry in the United States is threatened with material injury by reason of imports of certain oil country tubular goods from Taiwan that have been found by Commerce to be sold in the United States at LTFV.³

The Commission further determines that imports of these products from the Philippines and Thailand are negligible pursuant to section 771(24) of the Act (19 U.S.C. § 1677(24)), and its investigations with regard to these countries are thereby terminated pursuant to section 735(b) of the Act.

BACKGROUND

The Commission instituted these investigations effective July 2, 2013, following receipt of a petition filed with the Commission and Commerce by United States Steel Corporation,

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 All five participating Commissioners voted in the affirmative (Commissioner F. Scott Kieff did not participate in these investigations). The Commission also finds that imports subject to Commerce’s affirmative critical circumstances determinations are not likely to undermine seriously the remedial effect of the countervailing duty orders on certain oil country tubular goods from India or Turkey. The Commission further finds that imports subject to Commerce’s affirmative critical circumstances determinations are not likely to undermine seriously the remedial effect of the antidumping duty orders on certain oil country tubular goods from Turkey or Vietnam.

³ Chairman Meredith M. Broadbent dissenting with regard to imports from Taiwan, determining that subject imports from Taiwan are negligible.

Pittsburgh, PA; Maverick Tube Corporation, Houston, TX; Boomerang Tube LLC, Chesterfield, MO; Energex, a division of JMC Steel Group, Chicago, IL; Northwest Pipe Company, Vancouver, WA; Tejas Tubular Products Inc., Houston, TX; TMK IPSCO, Houston, TX; Vallourec Star, L.P., Houston, TX; and Welded Tube USA, Inc., Lackawanna, NY. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce regarding the subsidization of imports of certain oil country tubular goods from India and Turkey within the meaning of section 703(b) of the Act (19 U.S.C. § 1671b(b)) and sales at less than fair value of imports of certain oil country tubular goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations 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 April 7, 2014 (79 FR 19122). The hearing was held in Washington, DC, on July 15, 2014, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Views of the Commission

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of imports of certain oil country tubular goods (“OCTG”) from India, Korea, Turkey, Ukraine, and Vietnam found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value, and by reason of imports of the subject merchandise from India and Turkey found by Commerce to have been subsidized by the governments of India and Turkey.¹ We also determine that an industry in the United States is threatened with material injury by reason of imports of OCTG from Taiwan that Commerce found to be sold in the United States at less than fair value.² We find that critical circumstances do not exist with respect to the entities exporting the subject merchandise from India, Turkey, and Vietnam for which Commerce made affirmative critical circumstances determinations.

We further determine that imports of OCTG from the Philippines and Thailand that Commerce found to be sold in the United States at less than fair value are negligible.

I. Background

The petitions in these investigations were filed on July 2, 2013 by the United States Steel Corporation (“U.S. Steel”); Maverick Tube Corporation (“Maverick”); Boomerang Tube LLC; Energex, a division of JMC Steel Group; Northwest Pipe Company; Tejas Tubular Products Inc.; TMK IPSCO; Vallourec Star, L.P.; and Welded Tube USA, Inc. (these seven collectively, “Other Petitioners”) (U.S. Steel, Maverick, and Other Petitioners are collectively the “Petitioners”). Evraz Inc., NA, (“Evraz”), a domestic producer, also appeared in these investigations. Petitioners and Evraz (collectively, “Domestic Producers”) are domestic producers of OCTG and accounted for almost all of domestic OCTG production during the January 2011-March 2013 period of investigation (“POI”).³ Petitioners appeared at the hearing and submitted prehearing and posthearing briefs. Evraz also submitted a prehearing brief.

The following respondents appeared at the Commission’s hearing and submitted prehearing and posthearing briefs:

India. Jindal SAW Ltd. (“Jindal”), Jindal Pipe Ltd., GVN Fuels Limited (“GVN”), and Maharashtra Seamless Ltd., producer/exporters and importers of subject merchandise. The government of India also filed a posthearing statement.

Korea. AJU Besteel Co., Ltd., Husteel Co., Ltd., Hyundai HYSCO, Nexteel Co., Ltd., SeAH Steel Corp., producers of subject merchandise; and Husteel USA, Inc., Hyundai USA, Inc.,

¹ Commissioner Kieff did not participate in these investigations.

² Chairman Broadbent determines that imports of OCTG from Taiwan are negligible. See Separate and Dissenting Views of Chairman Broadbent.

³ See Confidential Staff Report, as amended by Memoranda INV-MM-075 and INV-MM-081 (“CR”) at Table III-1, Public Report, *Certain Oil Country Tubular Goods from India, Korea, Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1217 and 1219-1223 (Final), USITC Pub. 4489 (Sept. 2014) (“PR”) at Table III-1.

Hyundai HYSCO USA, Inc., and SeAH Steel America, Inc., U.S. importers of subject merchandise (“Korean Respondent Group”). ILJIN Steel Corporation, a producer and exporter of subject merchandise (“ILJIN”).

The Philippines. HLD Clark Steel Pipe Co., Ltd., a producer and exporter of subject merchandise (“Philippine Respondent” or “HLD Clark”).

Thailand. Boly Pipe Co., Ltd. (“Boly Pipe”), a producer and exporter of subject merchandise.

Turkey. Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Sirketi, Çayirova Boru Sanayi ve Ticaret A.S., Yücel Boru Ithalat-Ihracat ve Pazarlama A.S., Toşçelik Profil ve Sac Endustrisi A.S., and Tosyali Dis Ticaret A.S., producers and exporters of subject merchandise (collectively “Turkish Respondents”). A representative of the government of Turkey appeared at the hearing.

Ukraine. Interpipe, a producer and exporter of subject merchandise, and North American Interpipe, Inc., a U.S. importer of subject merchandise (“Ukrainian Respondents”). A representative of the government of Ukraine appeared at the hearing.

In addition, C&F International, an importer of OCTG, filed briefs, and Nexgen Metals, Inc., also an importer of OCTG, filed a posthearing statement.⁴

U.S. industry data are based on the questionnaire responses from 17 domestic producers that accounted for the vast majority of domestic production of OCTG during 2013.⁵ U.S. import data are based on official Commerce import statistics, except as noted in the staff report.⁶

The Commission received responses to its questionnaires from 31 foreign producers/exporters of subject merchandise:

- eight producers/exporters in India, accounting for approximately *** of all exports of subject merchandise to the United States from India in 2013;⁷
- seven producers/exporters in Korea, accounting for all U.S. imports of subject merchandise from Korea in 2013;⁸
- one producer/exporter in the Philippines, accounting for all U.S. imports of subject merchandise from the Philippines in 2013;⁹
- five producers/exporters in Taiwan, accounting for all U.S. imports of subject merchandise from Taiwan in 2013;¹⁰
- one producer/exporter in Thailand, accounting for *** of U.S. imports of subject merchandise from Thailand in 2013;¹¹

⁴ No respondents from Taiwan or Vietnam participated in the final phase investigations.

⁵ CR at I-6, PR at I-4.

⁶ CR at I-6, PR at I-4-5.

⁷ CR at VII-4, PR at VII-3.

⁸ CR at VII-10, PR at VII-5.

⁹ CR at VII-15, PR at VII-8.

¹⁰ CR at VII-29, PR at VII-13.

¹¹ CR at VII-34, PR at VII-15.

- three producers/exporters in Turkey, accounting for *** percent of U.S. imports of subject merchandise from Turkey in 2013;¹²
- two producers/exporters in Ukraine, accounting for *** U.S. imports of subject merchandise from Ukraine in 2013;¹³ and
- one producer/exporter in Vietnam, accounting for *** percent of U.S. imports of subject merchandise from Vietnam in 2013.¹⁴

On August 11, 2014, after correcting ministerial errors in its original final determination of sales at less than fair value with respect to OCTG from Saudi Arabia, Commerce terminated that investigation.¹⁵ The Commission was made aware of this action two days before its scheduled vote in these investigations.¹⁶ On August 13, 2014, the Commission reopened its record for the limited purpose of receiving Commerce’s amended final determination and termination with regard to OCTG from Saudi Arabia and comments from parties with regard to this new factual information.¹⁷ U.S. Steel; the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union; Maverick;¹⁸ Turkish Respondents; ILJIN; HLD Clark; and Boly Pipe filed comments. The Commission terminated its investigation with respect to imports from Saudi Arabia on August 21, 2014.¹⁹ ²⁰

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the “domestic like product” and the “industry.”²¹ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the

¹² CR at VII-39, PR at VII-16-17.

¹³ CR at VII-45, PR at VII-18-19.

¹⁴ CR at VII-51, PR at VII-21.

¹⁵ *Amended Final Determination and Termination of the Investigation of Sales at Less Than Fair Value: Certain Oil Country Tubular Goods From Saudi Arabia*, 79 Fed. Reg. 49051 (Aug. 19, 2014).

¹⁶ See EDIS Doc. 540196. The Commission’s vote was originally scheduled for August 14, 2014.

¹⁷ *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam, Reopening of the Record and Request for Comments*, 79 Fed. Reg. 49102 (Aug. 19, 2014).

¹⁸ Maverick’s additional final comments exceeded the 10-page limit set by the Commission. Accordingly, we have disregarded the material in these comments beyond the first 10 pages.

¹⁹ *Certain Oil Country Tubular Goods from Saudi Arabia, Termination of Investigation*, 79 Fed. Reg. 51192 (Aug. 27, 2014).

²⁰ We note that these Views would normally have been completed by September 2, 2014, the date we issued our determinations in these investigations. However, they were necessarily delayed by Commerce’s termination of its investigation with respect to Saudi Arabia, and the need to reopen the record and assess the new information and arguments made by the parties.

²¹ 19 U.S.C. § 1677(4)(A).

“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.”²² In turn, the Tariff Act defines “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.”²³

The decision regarding the appropriate domestic like product in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.²⁴ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.²⁵ The Commission looks for clear dividing lines among possible like products and disregards minor variations.²⁶ Although the Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,²⁷ the Commission determines what domestic product is like the imported articles Commerce has identified.²⁸

²² 19 U.S.C. § 1677(4)(A).

²³ 19 U.S.C. § 1677(10).

²⁴ See, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). In the semi-finished products analysis applicable in these investigations, the Commission examines the following: (1) the significance and extent of the processes used to transform the upstream into the downstream articles; (2) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) whether there are perceived to be separate markets for the upstream and downstream articles; and (5) differences in the costs or value of the vertically differentiated articles. See, e.g., *Glycine from India, Japan, and Korea*, Inv. Nos. 731-TA-1111-1113 (Preliminary), USITC Pub. 3921 at 7 (May 2007); *Artists’ Canvas from China*, Inv. No. 731-TA-1091 (Final), USITC Pub. 3853 at 6 (May 2006); *Live Swine from Canada*, Inv. No. 731-TA-1076 (Final), USITC Pub. 3766 at 8 n.40 (Apr. 2005); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Preliminary), USITC Pub. 3533 at 7 (Aug. 2002).

²⁵ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

²⁶ *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

²⁷ See, e.g., *USEC, Inc. v. United States*, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

²⁸ *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); (Continued...)

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

The merchandise covered by the investigation is certain oil country tubular goods (“OCTG”), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (“API”) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.²⁹

(...Continued)

Cleo, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); *Torrington*, 747 F. Supp. at 748-52 (affirming the Commission’s determination defining six like products in investigations in which Commerce found five classes or kinds).

²⁹ *E.g.*, *Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances: Certain Oil Country Tubular Goods from India*, 79 Fed. Reg. 41981, 41983 (July 18, 2014). According to Commerce, the merchandise subject to the investigation is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigations may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, (Continued...)

OCTG includes casing, tubing, and coupling stock of carbon and alloy steel used in oil and gas wells.³⁰ Casing is a circular pipe that serves as a structural retainer for the walls of the well. It typically has an outside diameter (OD) ranging from 4.5 inches to 20 inches and a length ranging from 34 feet to 48 feet. Casing provides a firm foundation for the drill string by supporting the walls of the hole to prevent caving in or wall collapse both during drilling and after the well is completed.³¹ Casing also serves as a surface pipe designed to prevent contamination of the recoverable oil and gas by surface water, gas, sand, or limestone.³² Tubing is a smaller-diameter pipe (between 1.050 and 4.5 inches OD) installed inside the larger-diameter casing that is used to conduct the oil or gas to the surface, either through natural flow or through pumping.³³ Coupling stock is a thick-walled, seamless tubular product used to manufacture coupling blanks. Coupling blanks, in turn, are unthreaded tube blanks used to make individual couplings. Couplings are thick-walled and internally threaded seamless cylinders that are used for joining two lengths of threaded OCTG.³⁴ Casing and tubing are usually produced in accordance with specification 5CT of the American Petroleum Institute (“API”).³⁵

C. Arguments of the Parties

Petitioners argue that the Commission should find a single domestic like product which is coextensive with the scope of Commerce’s investigations, as it did in the preliminary determinations.³⁶ More specifically, Petitioners argue that there is no clear dividing line between green tubes and finished OCTG.³⁷

(...Continued)

7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70. *Id.*

³⁰ CR at I-17, PR at I-14.

³¹ CR at I-20, PR at I-17.

³² CR at I-22, PR at I-18.

³³ CR at I-22, PR at I-19.

³⁴ CR at I-25, PR at I-19.

³⁵ CR at I-22, PR at I-19.

³⁶ U.S. Steel Prehearing Brief at Exh. 1, 1; Other Petitioners’ Prehearing Brief at 3, Maverick Prehearing Brief at 2-3.

³⁷ U.S. Steel adopts the definition of green tubes in the prehearing report, namely, “a term that can apply to unfinished, non-heat-treated tube bodies intended for casing and tubing.” U.S. Steel Prehearing Brief at Exh. 1, 4 n.21. Maverick states that the industry defines green tubes as “pipe that has not been tested and is therefore incapable of achieving an API certification,” but acknowledges that other parties use different definitions. Maverick Prehearing Brief at 3-4. Maverick further asserts that only the category identified by Commission staff as “unfinished OCTG not at API grade” should be considered green tube. Maverick Prehearing Brief at 4. Other Petitioners define green tubes as “circular welded or seamless steel tube intended and suited for production into OCTG, that has not yet been heat treated, upset, threaded, or otherwise processed.” Other Petitioners’ Prehearing Brief at 4.

ILJIN's arguments regarding the definition of the domestic like product have evolved in the course of these final phase investigations. It argued in its prehearing brief that "green tubes subject to heat treatment in the United States prior to sale to the merchant market" should be treated as a separate domestic like product.³⁸ In its posthearing brief, ILJIN argued that "{a}t the very least, the Commission should find a separate domestic like product for those green tubes that must be heat treated subsequent to importation and prior to sale."³⁹ In addition, ILJIN submitted that "entries of unfinished upgradeable seamless OCTG should be considered 'green tubes' falling into the same category as 'Not API/proprietary grade' inasmuch as unheat-treated, unfinished seamless OCTG would not have any other use other than to be upgraded by a U.S. processor."⁴⁰ ILJIN also argued that it would be "appropriate" for the Commission to include in the separate domestic like product upgradeable J-55 welded OCTG that is in fact heat treated after importation.⁴¹ In its final comments, ILJIN acknowledged that the term "green tubes" does not have a single, accepted definition, and that it was itself partially responsible for any confusion over the meaning of the term.⁴² ILJIN urged the Commission to define "U.S. heat-treated semi-finished OCTG" as a separate domestic like product.⁴³ ILJIN also noted that there are, in its view, more narrow definitions of semifinished OCTG that would qualify for separate domestic like-product treatment, namely (i) all semifinished OCTG not at API grade, and (ii) semifinished seamless OCTG that has not been heat treated prior to importation, but is imported at API grade (upgradeable seamless OCTG).⁴⁴

D. Domestic Like Product Analysis

We consider whether "U.S. heat-treated semi-finished OCTG" should be treated as a separate domestic like product. As we understand ILJIN's argument, this category of products encompasses (i) tubular products that require further processing to comply fully with the API 5CT specifications for casing and tubing, and (ii) tubular products – whether seamless or welded – that meet the minimum specifications for lower-grade API 5CT casing and tubing (*i.e.*, H40 and J55) and can be upgraded from one API grade to a more demanding API grade through heat treatment ("upgradeable" product). For the sake of convenience, we refer to these products as "green tubes."⁴⁵ We have not considered ILJIN's "alternative" domestic like product formulations, as they were not raised in a timely fashion.⁴⁶

³⁸ ILJIN Prehearing Brief at 9. We note that neither ILJIN nor any other party asked the Commission to collect additional separate information for green tubes, however defined, when commenting on the draft questionnaires in these final phase investigations. CR at I-36 n.46, PR at I-29 n.46.

³⁹ ILJIN Posthearing Brief at Appdx. 1, 44.

⁴⁰ ILJIN Posthearing Brief at Appdx. 1, 44-45.

⁴¹ ILJIN Posthearing Brief at Appdx. 1, 45.

⁴² ILJIN Final Comments (Aug. 8, 2014) at 8.

⁴³ ILJIN Final Comments (Aug. 8, 2014) at 9.

⁴⁴ ILJIN Final Comments (Aug. 8, 2014) at 10.

⁴⁵ We note that a number of parties apply an incorrect domestic like product inquiry when they argue that the Commission should treat certain *imported* products as a separate like product. *E.g.*, ILJIN (Continued...)

Because the question of whether green tubes should be treated as a separate domestic like product from finished OCTG involves a comparison of articles at different stages of processing, we use our semi-finished product analysis to resolve this issue.

Dedication for Use. ILJIN concedes that all green tubes are dedicated to the production of finished OCTG.⁴⁷ Green tubes have no practical use other than to be further processed. As a representative of a distributor stated at the hearing (presumably referring to OCTG not at API grade), without being finished, green tube is “either a very expensive fence post or it’s a cattle guard.”⁴⁸ With regard to seamless, upgradeable product, ILJIN explains that, while it is conceivable that it could be used without heat treatment, the price premium associated with that product makes that economically and commercially unrealistic.⁴⁹ To the extent that upgradeable product could be used without being further heat treated, it would be used for the same use (*i.e.*, as OCTG) as if it were heat treated.

Separate Markets. ILJIN’s assertion that there are completely separate markets for green tubes and finished OCTG – with the former being sold to processors and the latter being sold to distributors⁵⁰ – is not supported by the record. Several U.S. OCTG producers reported selling green tubes to distributors. In the preliminary phase of these investigations, U.S. Steel reported selling green tubes to processors and to distributors ***.⁵¹ ***, the largest domestic producer of unfinished OCTG not at API/proprietary grade, accounting for *** percent of U.S. producers’ shipments of this product in 2013,⁵² only shipped this product to distributors and not to end users or processors.⁵³ *** also reported selling unfinished OCTG not at API/proprietary grade to a distributor.⁵⁴ Thus, the record shows that green tubes are not only sold to processors, but some are sold to distributors which can then arrange for the green tubes to be heat treated and/or finished.

(...Continued)

Posthearing Brief, Appdx. 1, 41 (arguing that the “unfinished seamless OCTG ILJIN sells to the United States” should be treated as a separate domestic like product); U.S. Steel Prehearing Brief at Exh. 1, 5 (noting that green tubes from both U.S. producers and importers go through distribution); Maverick Prehearing Brief at 4 (noting that most imported OCTG is already at API grade).

⁴⁶ ILJIN proposed these formulations for the first time in its final comments. Under both the Commission’s regulations and the statute, such comments should “only concern such information” as to which the parties have not previously had an opportunity to comment. 19 C.F.R. § 207.30(b); *see also* 19 U.S.C. § 1677m(g). Consequently, final comments are not to be a vehicle for asserting new legal arguments. This is particularly true concerning arguments that would require collection or analysis of new data, such as domestic like product arguments, insofar as the statute states that the Commission “shall cease collecting information” before the filing of such comments. 19 U.S.C. § 1677m(g).

⁴⁷ ILJIN Prehearing Brief at 11.

⁴⁸ Hearing Tr. at 153 (Shoaff).

⁴⁹ ILJIN Final Comments (Aug. 8, 2014) at 10.

⁵⁰ ILJIN Prehearing Brief at 11-12.

⁵¹ CR at I-39 n.58, PR at I-31 n.58.

⁵² Calculated from *** response to Question II-17 in the Commission’s domestic producer questionnaire and aggregate U.S. shipment data from CR at Table IV-9.

⁵³ Email from *** to Commission staff, dated July 29, 2014.

⁵⁴ Other Petitioners’ Posthearing Brief at ***.

Differences in Physical Characteristics and Functions of the Upstream and Downstream Articles. Green tubes intended for specific OCTG applications are produced to chemical and dimensional specifications for those applications.⁵⁵ Thus, the specific characteristics of green tubes impart characteristics essential to the functionality of the finished OCTG. The various forms of heat treatment (annealing, normalizing, and quenching and tempering) do not change the physical appearance of the tubes, but they may change their microstructure and mechanical properties.⁵⁶ The further steps of the finishing process (upsetting pipe ends and threading them) do change the physical characteristics of the tubes to some extent.⁵⁷ In sum, green tubes and finished OCTG share some physical characteristics, but are different in other respects. Their functions are the same, in that green tubes have no practical function other than to be processed into finished OCTG.

Differences in Value. There is some evidence in the record that prices for green tubes may be substantially lower than prices for finished OCTG. For example, in 2013 U.S. producers' U.S. shipments of finished OCTG had an average unit value ("AUV") of \$1,568, whereas shipments of unfinished OCTG not at API had an AUV of \$*** and shipments of OCTG at API but upgradeable had an AUV of \$***.⁵⁸ We treat these AUV data with caution, however, given that they are derived from categories with vastly different aggregate quantities and given the potential for variations in product mix. Other data in the record show that the value added by processors (both tollers and non-tollers) ranged from *** percent to *** percent.⁵⁹

Extent of Processes Used to Transform Downstream Product into Upstream Product. The processes involved in the heat treatment and other finishing (upsetting, in some cases, and threading and coupling) of green tubes can be substantial.⁶⁰ As discussed below, we find that processors that perform heat treatment engage in sufficient production-related activity to qualify as domestic producers of OCTG.

Conclusion. All green tubes are dedicated to the production of finished OCTG, suggesting a single domestic like product. The two products are not sold in completely different markets. Although some green tube is sold to processors, some is also sold to distributors, to whom finished OCTG is also sold. Green tubes and finished OCTG share many basic physical characteristics, but not others. Their functions are essentially the same. There is a significant difference in the value of green tubes and finished OCTG, although the magnitude of this difference is unclear. The extent of the processes involved in transforming green tubes into finished OCTG can be substantial. On balance, we find that there is not a clear dividing line

⁵⁵ CR at I-38, PR at I-30.

⁵⁶ CR at I-30-31, PR at I-24.

⁵⁷ CR at I-32, PR at I-25.

⁵⁸ CR/PR at Table IV-9.

⁵⁹ CR at III-17 and VI-20-21, PR at III-11 and VI-8. These percentages were derived from (1) a ratio of the sum of direct factory labor and factory overhead costs (conversion costs) to cost of goods sold ("COGS"); and (2) a ratio of conversion costs plus selling, general, and administrative ("SG&A") expenses to the sum of COGS and SG&A expenses. We note that a substantial portion of the green tube finished by U.S. processors was imported. CR/PR at Table III-7 (toll processing); CR at III-23 and 24, PR at III-14 (non-toll processing).

⁶⁰ CR at I-30-32, PR at I-24-26.

between green tubes and finished OCTG and we do not find them to be separate domestic like products. Accordingly, we define the domestic like product in these investigations as all OCTG, a category that is coextensive with the scope of Commerce's investigations.

III. Domestic Industry

The domestic industry is defined as the domestic "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."⁶¹ 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 consumed, or sold in the domestic merchant market.

A. Sufficient Production-Related Activities

In deciding whether a firm qualifies as a domestic producer of the domestic like product, the Commission generally analyzes the overall nature of a firm's U.S. production-related activities, although production-related activity at minimum levels could be insufficient to constitute domestic production.⁶²

Maverick argues that the domestic industry should only include U.S. mills that produce OCTG and that processors should not be included in the Commission's definition because processors do not engage in sufficient production-related activity to be deemed domestic producers.⁶³ ILJIN argues that the Commission should continue to include processors in its definition of the domestic industry because processors engage in sufficient production-related activities to qualify as part of the domestic industry.⁶⁴

Capital Investments. Five processors that provided data reported aggregate capital expenditures of \$*** during the POI. Four firms reported their sources of funding, including private capital and credit lines.⁶⁵ Processors that reported construction of new facilities spent an average of \$*** each.⁶⁶ We note that these amounts do not take into account capital investments that were made before the POI, which would also be relevant to an assessment of the extent of the processors' overall capital investments.

⁶¹ 19 U.S.C. § 1677(4)(A).

⁶² The Commission generally considers six factors: (1) source and extent of the firm's capital investment; (2) technical expertise involved in U.S. production activities; (3) value added to the product in the United States; (4) employment levels; (5) quantity and type of parts sourced in the United States; and (6) any other costs and activities in the United States directly leading to production of the like product. No single factor is determinative and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation. *Diamond Sawblades and Parts Thereof from China and Korea*, Inv. Nos. 731-TA-1092-93 (Final), USITC Pub. 3862 at 8-11 (July 2006).

⁶³ Maverick Prehearing Brief at 8.

⁶⁴ ILJIN Prehearing Brief at 7-8.

⁶⁵ CR at III-16, PR at III-10.

⁶⁶ Maverick Prehearing Brief at 10 n.30.

Technical Expertise. The various forms of heat treatment and other finishing activities require considerable technical expertise. OCTG processor *** reported that it employs metallurgical personnel and a heat treatment equipment operator. *** reported technical expertise in heat treating, inspection, and threading. *** reported having a heat treatment production director and an API 5CT quality director.⁶⁷

Value Added. The value added by processors (both tollers and non-tollers) ranged from *** percent to *** percent.⁶⁸ We disagree with Maverick's argument that these percentages are overstated because they may include finishing operations other than heat treatment. We have appropriately considered the full range of a processor's production-related activities, including, but not limited to, heat treatment, when assessing the value added by the processor. Indeed, because Maverick did not advocate the collection of value added data for heat treatment alone when it commented on the Commission's draft questionnaires, the value-added data in the staff report are the information available to the Commission in these proceedings.

Employment. Processors employed a total of 2,019 production and related workers in 2013.⁶⁹

Quantity and Type of Parts Sourced in the United States. In 2013, non-toll processors sourced *** percent of their purchased green tubes from U.S. mills.⁷⁰ Toll processors do not source green tubes because they do not take title to the product; however, in 2013, *** percent of their processing was performed for the account of U.S. mills.⁷¹

In sum, the record indicates that processors have made significant capital investments, use substantial technical expertise to engage in heat treatment and other finishing activities, add significant value, employ a substantial number of personnel, and source some green tube in the United States.⁷² In light of these considerations, we find that processors that provide heat treatment engage in sufficient production-related activities in the United States to be treated as domestic producers.^{73 74}

⁶⁷ CR at III-16, PR at III-11.

⁶⁸ CR at III-17 and VI-20-21, PR at III-11 and VI-8.

⁶⁹ CR at III-18, PR at III-11.

⁷⁰ U.S. producers' questionnaire responses of ***.

⁷¹ CR/PR at Table III-7.

⁷² There is no information in the record on any other costs processors incur or other activities in the United States directly leading to production of OCTG.

⁷³ Without identifying the firms involved or providing any further information, ILJIN argues that some of its customers that contract with tollers to provide heat treatment services should also be treated as domestic producers. ILJIN Prehearing Brief at 9. ILJIN has not provided enough information to enable us to identify these entities or to assess their activities. In any event, the Commission has generally treated the troller, and not the tollee, as the domestic producer in these situations. *See, e.g., Certain Welded Large Diameter Line Pipe from Japan*, Inv. No. 731-TA-919 (Final), USITC Pub. 3464 (November 2001) at 10, n. 53 (while toll producers that engage in sufficient production related activity are included, tollees "that merely supply raw materials and pay a fabrication fee" are not). *See also, e.g., Certain Potassium Phosphate Salts from China*, Inv. Nos. 701-TA-473 and 473-TA-1173 (Final), USITC Pub. 4171 (July 2010) at 7, n. 30 ("In accordance with our standard practice, we do not consider the (Continued...)

For the foregoing reasons, we define the domestic industry to include all U.S. producers of OCTG, including both mills that produce OCTG and processors that engage in heat treatment.⁷⁵

IV. Negligible Imports

A. Legal Standard

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.⁷⁶ The statute further provides that subject imports from a single country that account for less than 3 percent of such total imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all such countries accounts for more than 7 percent of all such merchandise imported into the United States.⁷⁷

(...Continued)

tollee . . . to be part of the domestic industry because it does not engage in production of the like product.”).

⁷⁴ Maverick argues that, if the Commission includes processors in the domestic industry, it should follow its decision in *DRAMs and DRAM Modules from Korea (“DRAMs”)*, Inv. No. 701-TA-431 (Final), USITC Pub. 3616 (Aug. 2003), and exclude processors and tollers of subject imports from the domestic industry. Maverick characterizes such processors and tollers as being merely a “conduit for . . . unfairly traded imports.” Maverick contends that in *DRAMs*, the Commission generally included assemblers of uncased DRAMs into cased DRAMs in the domestic industry, but excluded assemblers of subject imports. Maverick Posthearing Brief, Exh. 1, 34. Maverick misreads the *DRAMs* decision. There is no evidence in that decision that the Commission excluded assemblers of subject imports from the domestic industry. The Commission considered an argument that DRAMs assembled in the United States that had been fabricated in third countries should be treated as nonsubject imports. The Commission rejected this argument. It noted that “{i}n effect, what respondents request is for the Commission to give determinative weight to the ‘quantity and type of parts sourced in the United States’ factor on a transaction-by-transaction basis.” Pub. 3616 at 10. In effect, Maverick is doing the same thing here; it is asking the Commission to give determinative weight to only one of the five factors that the Commission considers in deciding whether firms engage in sufficient production-related activity to be treated as domestic producers.

⁷⁵ We find no basis to exclude any producer from the domestic industry under the statute’s related party provision, 19 U.S.C. § 1677(4)(A), and no party has argued that any producer should be excluded.

⁷⁶ 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (identifying certain developing countries for purposes of 19 U.S.C. § 1677(24) for which the relevant negligibility threshold is different in countervailing duty investigations).

⁷⁷ 19 U.S.C. § 1677(24)(A)(ii). For the purpose of countervailing duty investigations, the threshold is 9 percent for designated developing countries. 19 U.S.C. § 1677(24)(B).

The statute further provides that, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than 3 percent of all such merchandise imported into the United States, or that there is a potential that the aggregate volumes of subject imports from all countries with currently negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.⁷⁸

B. Arguments of the Parties

U.S. Steel, the United Steelworkers, and Maverick argue that subject imports from the Philippines, Taiwan, and Thailand individually will imminently account for more than 3 percent of total imports, and that the aggregate volume of imports from these countries will imminently exceed 7 percent of total imports. Addressing the three countries individually, U.S. Steel and the United Steelworkers argue that each country is on pace to imminently exceed the 3 percent level.⁷⁹

Philippine respondent HLD Clark argues that subject imports from the Philippines are unlikely to exceed 3 percent of total imports.⁸⁰ Thai respondent Boly Pipe argues that subject imports from Thailand are unlikely to exceed 3 percent of total imports and that the aggregate volume of subject imports from Taiwan, Thailand, and the Philippines is unlikely to exceed 7 percent.⁸¹

C. Analysis

During the pertinent 12-month period for determining negligibility (July 2012-June 2013), imports from the following five subject countries were above the 3 percent negligibility threshold: India (***) percent of total imports), Korea (***) percent), Turkey (***) percent), Ukraine (***) percent), and Vietnam (5.5 percent).⁸² We consequently find that imports from these five subject countries are not negligible.⁸³

Imports from the following three subject countries were below the applicable 3 percent statutory threshold: the Philippines (2.2 percent of total imports), Taiwan (***) percent), and Thailand (0.8 percent).⁸⁴ The aggregate volume of imports from these countries (***) percent)

⁷⁸ 19 U.S.C. § 1677(24)(A)(iv).

⁷⁹ U.S. Steel Prehearing Brief at Exh. 2, 2-3 and Final Comments (Aug. 18, 2014) at 2-4. Maverick Final Comments (Aug. 18, 2014) at 9-10.

⁸⁰ HLD Clark Final Comments (Aug. 18, 2014) at 2-4.

⁸¹ Boly Pipe Final Comments (Aug. 18, 2014) at 3-5.

⁸² CR/PR at Table IV-8.

⁸³ For purposes of countervailing duty investigations, India is among the countries classified as “developing countries” under 15 C.F.R. § 2013.1, so the negligibility threshold for the countervailing duty investigation of subject imports from India is 4 percent. 19 U.S.C. § 1677(24)(B). Subject imports from India (at ***) percent) are above that threshold. CR/PR at Table IV-8.

⁸⁴ CR/PR at Table IV-8.

is below the statutory aggregate 7 percent level during the relevant 12-month period. We therefore determine that imports from these three countries are negligible for purposes of present material injury.

We next consider, for purposes of a threat analysis, whether there is a potential that subject imports from the Philippines, Taiwan, and Thailand will imminently exceed the statutory negligibility thresholds. For the reasons provided in the paragraphs below, we find that there is a potential that subject imports from Taiwan will exceed the 3 percent negligibility threshold,⁸⁵ but there is not a potential that subject imports from the Philippines and Thailand will exceed the 3 percent negligibility threshold individually or exceed the 7 percent negligibility threshold when considered in the aggregate with subject imports from Taiwan. In reaching these determinations, we have made reasonable estimates on the basis of available statistics, as we are permitted to do by the statute.⁸⁶

Taiwan. The production capacity of subject producers in Taiwan expanded during the POI, *** from 2011 to 2012, as one of the subject producers brought a new mill online.⁸⁷ The capacity utilization of these producers *** in 2012 (***), and utilization remained at *** levels throughout the rest of the POI.⁸⁸ Over the period of investigation, subject imports from Taiwan were increasing steadily as a share of all imports, from *** percent in 2011 to *** percent in 2012 and then to *** percent in 2013.⁸⁹ The producer with the ***.⁹⁰ In the aggregate, subject producers in Taiwan project that their export shipments to the United States will reach *** short tons in 2014, increasing from *** short tons in 2013.

To estimate the share of total imports that would be accounted for by subject imports from Taiwan in the imminent future, we assumed that subject imports from Taiwan would be *** short tons, the amount projected by subject producers for 2014. We estimated that total imports in 2014 would fall in a range between *** short tons and *** short tons.⁹¹ Using these

⁸⁵ Chairman Broadbent determines that there is not a potential that subject imports from Taiwan will imminently exceed 3 percent of total imports, and does not join the discussion concerning Taiwan below, except as it pertains to the estimation of total U.S. imports in 2014. See Separate and Dissenting Views of Chairman Broadbent.

⁸⁶ 19 U.S.C. §1677(24)(C).

⁸⁷ The capacity of subject producers in Taiwan increased from *** short tons in 2011 to *** tons in 2012 and *** in 2013. Capacity was *** short tons in both January-March (“interim”) 2013 and interim 2014. CR/PR at Table VII-9.

⁸⁸ Production of subject producers in Taiwan increased from *** short tons in 2011 to *** short tons in 2012, and then declined to *** short tons in 2013. Production was *** short tons in interim 2013 and *** short tons in interim 2014. CR/PR at Table VII-9. Capacity utilization declined from *** percent in 2011 to *** percent in 2012 and *** percent in 2013. Capacity utilization was *** percent in interim 2013 and *** percent in interim 2014. *Id.*

⁸⁹ CR/PR at Table IV-2.

⁹⁰ CR at VII-30, PR at VII-13.

⁹¹ We arrived at these estimates of total imports in the following manner. The lower end of the range was calculated by annualizing total imports in the first quarter of 2014 (***). The upper end of the range was calculated by calculating the ratio of total imports in the first quarter of 2013 to total imports in all of 2013 (*i.e.*, ***), and then multiplying total imports in the first quarter of 2014 by the (Continued...)

figures, we estimate that subject imports from Taiwan would range between *** percent and *** percent of total imports in 2014.⁹² On the basis of these estimates, the increased capacity and low capacity utilization rates among subject producers in Taiwan, and the steady increase in subject imports from Taiwan over the POI, we determine that there is a potential that subject imports from Taiwan will imminently surpass 3 percent of total imports.

The Philippines. The production capacity of the subject producer in the Philippines fluctuated in a stable range throughout the POI, except in interim 2014 when it was lower than in interim 2013.⁹³ The capacity utilization of this producer *** in all parts of the POI ***.⁹⁴

To estimate the share of total imports that would be accounted for by subject imports from the Philippines in the imminent future, we assumed that subject imports from the Philippines would be at their highest annual level during the POI, which was 73,969 short tons in 2013.⁹⁵ Using this amount and the estimated range of total imports described above, we estimate that subject imports from the Philippines would fall in a range between *** percent and *** percent of total imports in 2014.⁹⁶ On the basis of these estimates, and the stable capacity and high capacity utilization rate of the subject producer in the Philippines, we determine that there is not a potential that subject imports from the Philippines will imminently surpass 3 percent of total imports.

Thailand. The Commission received a questionnaire response in the final phase of these investigations from one subject producer in Thailand, Boly Pipe. There is one other known producer of OCTG in Thailand, WSP Pipe Co., Ltd. (“WSP”), and there is evidence in the record

(...Continued)

inverse of that ratio (*i.e.*, ***). CR/PR at Table IV-2. That the annualized Q1 2014 data is “reasonable” is supported by its use by petitioner U.S. Steel. U.S. Steel Final Comments (Aug. 18, 2014) at 7 n.35.

⁹² These estimates were calculated as follows, using the methodology described in footnote 91 above: ***.

⁹³ The capacity of the subject producer in the Philippines was *** short tons in 2011, *** short tons in 2012, *** short tons in 2013, *** short tons in interim 2013 and *** short tons in interim 2014. CR/PR at Table VII-5. U.S. Steel argued that the producer in the Philippines *** to make pipe product. U.S. Steel Final Comments (Aug. 18, 2014) at 5. We note that U.S. Steel relies solely on a Dow Jones news story that primarily concerns port facilities (U.S. Steel Prehearing Brief at Exh. 68), and we do not find that this evidence contradicts the reported capacity of the subject producer in the Philippines. We note that even if capacity in the Philippines were higher than reported, it would not affect our analysis because our projections are based on actual import levels and demonstrated production ability, not capacity.

⁹⁴ Capacity utilization rose from *** percent in 2011 to *** percent in 2012 and *** percent in 2013. Capacity utilization was *** percent in interim 2013 and *** percent in interim 2014. CR/PR at Table VII-4. The *** in 2011 reflected the fact that the subject producer in the Philippines began OCTG production in that year. CR at VII-15, PR at VII-8. The following factors indicate a relatively low ability of the subject producer in the Philippines to increase shipments to the United States: the producer’s relatively small capacity, its high capacity utilization, the fact that the vast majority of its sales are already exports to the United States, and the absence of inventories. CR/PR at Table II-4.

⁹⁵ CR/PR at Table C-1.

⁹⁶ These estimates were calculated as follows, using the methodology described in footnote 91 above: ***.

that that firm has idled its plant.^{97 98} The production capacity of Boly Pipe was *** short tons in 2013, the first year in which it was producing OCTG, and is projected to rise to *** short tons in 2014 and *** short tons in 2015.⁹⁹ Boly's capacity utilization rate was *** percent in 2013 and *** percent in interim 2014.¹⁰⁰

To estimate the share of total imports that would be accounted for by subject imports from Thailand in the imminent future, we first estimated what Boly Pipe's production would be in 2014. We did this by assuming that it would reach its projected capacity of *** short tons in 2014 and that it would operate at the same capacity utilization rate in 2014 as it did in 2013 (*** percent). This would result in production of *** short tons. We then assumed that all the increased production in 2014 (*** short tons) would be exported to the United States. We added these increased exports to the level of its imports to the United States in 2013 (33,741 + ***) to arrive at an estimate for subject exports to the United States of *** short tons. Using that amount and the estimated range of total imports described above, we estimate that subject imports from Thailand would fall between *** percent and *** percent of total imports

⁹⁷ CR at VII-34, PR at VII-15. Boly Pipe, which has its facilities located in the same industrial park in Thailand as those of WSP, states that WSP idled its plant in November 2013 and that it would take many months to bring that plant back online, should WSP wish to do so. Boly Pipe Final Comments (Aug. 18, 2013) at 7-8. U.S. Steel described recent significant financial losses reported by WSP's Chinese parent and uncertainty as to the parent's ability to continue as a going concern. U.S. Steel Prehearing Brief at 86. The idling of WSP's plant in Thailand in November 2013 would be consistent with these developments.

⁹⁸ U.S. Steel contends that there are two other mills in Thailand in addition to Boly Pipe and WSP. U.S. Steel Final Comments (Aug. 18, 2014) at 6. One of these "other" mills appears in fact to be Boly Pipe. Exhibit 93 to U.S. Steel's Prehearing Brief describes this new producer, owned by Baosteel (Boly Pipe's parent) and another Chinese partner, called "Baoli Steel Pipe," which began production in 2013 (the same year that Boly Pipe began production).

With respect to the issue of a second additional mill in Thailand, we note that the Commission sent questionnaires in both the preliminary and final phase investigations to all entities named in the petition as producers of subject merchandise from Thailand, and only Boly Pipe and WSP provided responses. There are no publicly available sources identifying other sources of exports to the United States. Consequently, the information submitted by reporting Thai producers is the information available with respect to the OCTG industry in Thailand. We also note that, to the extent that there were other exporters of subject merchandise from Thailand, their data would be reflected in the official U.S. import statistics. The share of total imports represented by subject imports from Thailand increased by only *** percentage point from 2012 to 2013, and we have projected greater growth based on data from the foreign producers' questionnaires than would be reflected by looking at available full-year data from all importers.

⁹⁹ CR/PR at Table VII-11. U.S. Steel argued that Boly Pipe *** to make OCTG by over *** metric tons. U.S. Steel Final Comments (Aug. 18, 2014) at 6. We note that U.S. Steel relies solely on an undated brochure which may or may not reflect Boly Pipe's true capacity (U.S. Steel Prehearing Brief at Exh. 98). We note that even if capacity in Thailand were higher than reported, it would not affect our analysis because our projections are based on actual import levels, and demonstrated production ability, not capacity.

¹⁰⁰ CR/PR at Table VII-11.

in 2014.¹⁰¹ On the basis of these estimates, we determine that there is not a potential that subject imports from Thailand will imminently surpass 3 percent of total imports.

*Aggregate Analysis.*¹⁰² To determine whether there is a potential that subject imports from the Philippines, Taiwan, and Thailand in the aggregate will imminently exceed 7 percent of total imports, we added together the numbers for each country, as detailed above. The sum of these numbers ranges from *** to *** percent. Thus, even using assumptions that are most favorable to petitioners, there is not a potential that subject imports from the Philippines, Taiwan, and Thailand will imminently exceed 7 percent.

For the foregoing reasons, we determine that subject imports from the Philippines and Thailand are negligible for purposes of both our present material injury analysis and our threat of material injury analysis and that subject imports from Taiwan are negligible for purposes of our present material injury analysis, but not for purposes of our threat of material injury analysis.¹⁰³

V. Cumulation

A. Background

For purposes of evaluating the volume and price effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

- (1) the degree of fungibility between subject imports from different countries and between subject 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 geographic markets of subject imports from different countries and the domestic like product;

¹⁰¹ These estimates were calculated as follows, using the methodology described in footnote 91 above: ***.

¹⁰² Chairman Broadbent determines that there is not a potential that subject imports from the Philippines, Taiwan, and Thailand will imminently exceed 7 percent of total imports. See Separate and Dissenting Views of Chairman Broadbent.

¹⁰³ Chairman Broadbent determines that subject imports from Taiwan are negligible for purposes of both the Commission's present material injury analysis and its threat of material injury analysis. See Separate and Dissenting Views of Chairman Broadbent.

- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.¹⁰⁴

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.¹⁰⁵ Only a “reasonable overlap” of competition is required.¹⁰⁶

B. Arguments of the Parties

Petitioners argue that the Commission should cumulate subject imports from all countries.¹⁰⁷ The government of India argues that it would be inconsistent with Article 15 of the WTO Agreement on Subsidies and Countervailing Measures (“SCM Agreement”) for the Commission to cumulate the effects of imports from countries subject only to antidumping duty investigations with those of imports subject to countervailing duty investigations, *i.e.*, India and Turkey.¹⁰⁸ The Philippine Respondent argues that subject imports from the Philippines should not be cumulated with those from other subject countries.¹⁰⁹

C. Analysis

With respect to the government of India’s argument, we believe that the Commission’s long-standing practice of “cross-cumulating” imports subject to Commerce’s affirmative subsidy determinations with imports subject to Commerce’s affirmative dumping determinations, when the conditions for cumulation are otherwise met, is consistent with U.S. law.¹¹⁰ We recognize

¹⁰⁴ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff’d*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int’l Trade), *aff’d*, 859 F.2d 915 (Fed. Cir. 1988).

¹⁰⁵ See, *e.g.*, *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹⁰⁶ The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902); see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

¹⁰⁷ U.S. Steel Prehearing Brief at Exh. 3, 2-3, Maverick Prehearing Brief at 39.

¹⁰⁸ Posthearing Comments from the government of India.

¹⁰⁹ Philippine Respondent’s Posthearing Brief at 2-4.

¹¹⁰ 19 U.S.C. § 1677(7)(G). *E.g.*, *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482-484 and 731-TA-1191-1194 (Final), USITC Pub. 4362 at 12 n.59 (Dec. 2012); *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Continued...)

that a WTO dispute resolution panel recently found this practice to be inconsistent with Article 15 of the SCM Agreement, but this panel report has not been adopted by the WTO Dispute Settlement Body, and the United States has appealed the panel report.¹¹¹

The statutory threshold for cumulation is satisfied in these investigations because Petitioners filed the antidumping/countervailing duty petitions with respect to all nine countries on the same day, July 2, 2013.¹¹² As explained above, we have found that imports from the Philippines, Taiwan, and Thailand are negligible for purposes of our analysis of material injury by reason of subject imports. Thus, we consider whether to cumulate subject imports from the remaining five subject countries – India, Korea, Turkey, Ukraine, and Vietnam – for purposes of this analysis.¹¹³ As discussed below, we find that there is a reasonable overlap of competition among subject imports from these five countries and between subject imports from each source and the domestic like product.

Fungibility. Casing and tubing products, regardless of source, are generally produced in accordance with standards set by the API.¹¹⁴ All responding domestic producers and a majority of importers and purchasers reported that subject OCTG from the subject countries are always or frequently used interchangeably with each other and with the domestic like product. The remaining domestic producers and importers indicated that subject imports from the subject countries are sometimes used interchangeably with each other and with the domestic like product. No domestic producers or importers reported that subject imports are never used interchangeably with each other and with the domestic like product. Most of the remaining purchasers also reported that subject imports are sometimes used interchangeably with each other and with the domestic like product; very few of them reported that subject imports are never used interchangeably with each other and with the domestic like product.¹¹⁵

We recognize that there are several factors that may limit the fungibility between and among subject imports from each source and the domestic like product. First, welded and seamless OCTG are not interchangeable in all applications. Imports from the subject countries tended to be concentrated in one product or the other: imports from Korea, Turkey, and Vietnam were almost exclusively welded OCTG; imports from Ukraine were exclusively seamless OCTG; and imports from India were predominantly seamless OCTG.¹¹⁶ Although seamless OCTG can be used in any application which requires welded OCTG, the reverse is not true. Certain high stress applications require seamless OCTG, and the seamless product may also be preferred in some applications to reduce risk.¹¹⁷ However, a witness for petitioners

(...Continued)

(Final), USITC Pub. 3509 at 29-31 (May 2009); *Bingham & Taylor v. United States*, 815 F.2d 1482 (Fed. Cir. 1987).

¹¹¹ www.wto.org/english/tratop_e/dispu_e/cases_e/ds436_e.htm.

¹¹² Because the investigation on OCTG from Saudi Arabia has been terminated, those imports are not eligible for cumulation. 19 U.S.C. § 1677(7)(G)(ii)(II).

¹¹³ See 19 U.S.C. § 1677(24)(B)(iv).

¹¹⁴ CR at I-16-17, PR at I-14.

¹¹⁵ CR/PR at Table II-12.

¹¹⁶ CR at II-39-40, PR at II-29.

¹¹⁷ CR at II-39, PR at II-29.

estimated that welded OCTG could be used for 70 percent of seamless applications, and a witness for respondents noted that they are interchangeable in many cases from an engineering perspective.¹¹⁸

Fungibility may also be somewhat limited by requirements for proprietary or premium connections. OCTG producers are unable to offer particular proprietary connections if they do not have access to the intellectual property rights required to produce those connections, although these producers would have the option of developing their own proprietary connections.¹¹⁹ Purchasers reported that for seamless OCTG, 37.4 percent of purchases required proprietary connections, 8.3 percent preferred proprietary connections, and 54.2 percent were unrestricted. For welded OCTG, 14.4 percent of purchases required proprietary connections, 4.2 percent preferred them, and 81.4 percent were unrestricted.¹²⁰ The record contains data on shipments broken down by end finish. Subject imports had little presence in the “threaded and coupled, proprietary” category. In 2013, only *** percent of subject import shipments were in this category, compared to *** percent of domestic producers’ shipments.¹²¹ On the other hand, there was substantial overlap in 2013 between shipments of the domestic product and subject imports in the categories of “threaded and coupled, not proprietary” and “plain end.”¹²²

Fungibility may also be somewhat limited by the domestic product and subject imports being concentrated in different grades. Whereas there was substantial overlap in 2013 between the domestic product and subject imports in the three grades with the highest volumes, J-55, L-80, and P-110, the highest volume product for the domestic industry was higher alloy P-110, whereas subject imports were concentrated in the more commodity-like J-55 grade.¹²³

Another factor that may limit fungibility somewhat is the extent to which subject countries and the domestic industry ship semi-finished or finished OCTG. Although a large proportion of responding purchasers reported buying finished OCTG from both domestic sources and the subject countries, a relatively larger proportion of the purchasers reported buying “unfinished at API but upgradable” product from subject countries than from domestic sources.¹²⁴

On balance, we find that the record indicates a sufficient degree of substitutability between and among subject imports and the domestic like product to establish that products from the different sources are fungible for purposes of a cumulation analysis.

¹¹⁸ CR at II-39, PR at II-29.

¹¹⁹ Hearing Tr. at 297 (Hraibi).

¹²⁰ CR at II-41-42, PR at II-30.

¹²¹ See CR/PR at Table IV-13 and derived from Table G-15.

¹²² See CR/PR at Table IV-13 and derived from Table G-15.

¹²³ In 2013, the quantities of U.S. producers’ U.S. shipments and U.S. importers’ U.S. shipments of subject imports, respectively, for the three grades with the highest volumes were as follows: (i) J-55 – 806,818 short tons and *** short tons; (ii) L-80 – 553,466 short tons and *** short tons; and (iii) 1,727,521 short tons and *** short tons. CR/PR at Tables IV-12 and G-15.

¹²⁴ CR/PR at Table II-10.

Channels of Distribution. Subject imports and the domestic like product shared the same channels of distribution. During the POI, all domestically produced and most subject imports from each source were shipped to distributors.

Geographic Overlap. The majority of imports from each subject country are concentrated in the Central Southwest.¹²⁵ The Pacific Coast received the second greatest coverage by subject imports, with imports from all subject countries serving that region. All responding U.S. producers reported making sales to the Central Southwest, and eight of 13 reported making sales to the Pacific Coast region.¹²⁶

Simultaneous Presence in Market. Subject imports from each subject country were present in the United States in each year of the POI and in interim 2014.¹²⁷ Subject imports from each subject country were present in the majority of the 39 months of the POI.¹²⁸

Conclusion. In sum, because the relevant antidumping duty petitions and countervailing duty petitions were filed on the same day, and the record indicates that there is a reasonable overlap of competition between and among subject imports and the domestic like product, we analyze subject imports from India, Korea, Turkey, Ukraine, and Vietnam on a cumulated basis for our analysis of material injury by reason of subject imports.

VI. Material Injury by Reason of Subject Imports from India, Korea, Turkey, Ukraine, and Vietnam

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of imports of OCTG from India, Korea, Turkey, Ukraine, and Vietnam found by Commerce to be sold in the United States at less than fair value and imports of the subject merchandise from India and Turkey found by Commerce to have been subsidized by the governments of India and Turkey.

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.¹²⁹ In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.¹³⁰ The statute defines

¹²⁵ CR at II-3, PR at II-3, and CR/PR at Table II-2.

¹²⁶ CR at II-3, PR at II-3, and CR/PR at Table II-2.

¹²⁷ CR/PR at Table IV-14.

¹²⁸ CR/PR at Table IV-14.

¹²⁹ 19 U.S.C. §§ 1671d(b), 1673d(b).

¹³⁰ 19 U.S.C. § 1677(7)(B). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... and explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

“material injury” as “harm which is not inconsequential, immaterial, or unimportant.”¹³¹ In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.¹³² No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹³³

Although the statute requires the Commission to determine whether the domestic industry is “materially injured or threatened with material injury by reason of” unfairly traded imports,¹³⁴ it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.¹³⁵ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.¹³⁶

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.¹³⁷ In performing its examination, however, the Commission need not isolate

¹³¹ 19 U.S.C. § 1677(7)(A).

¹³² 19 U.S.C. § 1677(7)(C)(iii).

¹³³ 19 U.S.C. § 1677(7)(C)(iii).

¹³⁴ 19 U.S.C. §§ 1671d(a), 1673d(a).

¹³⁵ *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’g*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

¹³⁶ The Federal Circuit, in addressing the causation standard of the statute, observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred “by reason of” the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” See also *Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass’n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

¹³⁷ SAA at 851-52 (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less- (Continued...)

the injury caused by other factors from injury caused by unfairly traded imports.¹³⁸ Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.¹³⁹ It is clear that the existence of injury caused by other factors does not compel a negative determination.¹⁴⁰

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports” and the Commission “ensure{s} that it is not attributing injury from other sources to the subject imports.”^{141 142} Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”¹⁴³

(...Continued)

than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); *accord Mittal Steel*, 542 F.3d at 877.

¹³⁸ SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), *citing Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

¹³⁹ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

¹⁴⁰ *See Nippon Steel Corp.*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

¹⁴¹ *Mittal Steel*, 542 F.3d at 877-78; *see also id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”) *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75.

The Federal Circuit’s decisions in *Gerald Metals*, *Bratsk*, and *Mittal Steel* all involved cases where the relevant “other factor” was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit’s guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.¹⁴⁴ The additional “replacement/benefit” test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

Mittal Steel clarifies that the Commission’s interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have “evidence in the record” to “show that the harm occurred ‘by reason of’ the LTFV imports,” and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.¹⁴⁵ Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant

(...Continued)

¹⁴² Vice Chairman Pinkert does not join this paragraph or the following three paragraphs. He points out that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal Steel*, held that the Commission is *required*, in certain circumstances when considering present material injury, to undertake a particular kind of analysis of non-subject imports, albeit without reliance upon presumptions or rigid formulas. *Mittal Steel* explains as follows:

What *Bratsk* held is that “where commodity products are at issue and fairly traded, price competitive, non-subject imports are in the market,” the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, *Bratsk* requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

¹⁴³ *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

¹⁴⁴ *Mittal Steel*, 542 F.3d at 875-79.

¹⁴⁵ *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission’s alternative interpretation of *Bratsk* as a reminder to conduct a non-attribution analysis).

factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.¹⁴⁶

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.¹⁴⁷ Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.¹⁴⁸

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is material injury by reason of subject imports.¹⁴⁹

1. Demand Considerations

Demand for OCTG is cyclical, is largely driven by the level of activity in the U.S. economy, and is derived from the demand for oil and natural gas exploration and drilling.¹⁵⁰ Because oil and natural gas prices partly influence drilling activity, these prices also drive the demand for OCTG.¹⁵¹ The quantity of OCTG used in oil and natural gas exploration and extraction is determined by the number of rigs that are operating as well as the length and depth of the wells being drilled.¹⁵²

OCTG demand rose during the POI, especially from 2011 to 2012. Apparent U.S. consumption of OCTG increased from 6.0 million short tons in 2011 to 7.0 million short tons in 2012 and remained at 7.0 million short tons in 2013.^{153 154} Other measures of OCTG demand

¹⁴⁶ To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in final phase investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phase investigations in which there are substantial levels of nonsubject imports.

¹⁴⁷ We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

¹⁴⁸ *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, citing *U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

¹⁴⁹ These conditions of competition also inform our analysis, discussed below, of whether the U.S. industry is threatened with material injury by reason of subject imports from Taiwan.

¹⁵⁰ CR at II-15, PR at II-11.

¹⁵¹ CR at II-15, PR at II-11.

¹⁵² CR at II-18, PR at II-13.

¹⁵³ CR/PR at Table IV-16. Apparent consumption was 1.6 million short tons in interim 2013 and 1.8 million short tons in interim 2014.

increased over the POI, particularly in the early part.¹⁵⁵ Specifically, rig count increased between 2011 and 2012, then declined in late 2012, before stabilizing in 2013.¹⁵⁶ Operator consumption figures, which track OCTG used by well operators, increased from 2011 to 2012, declined irregularly until the first quarter of 2013, and then rose steadily after that.¹⁵⁷

Most responding producers, importers, and purchasers reported that OCTG demand in the United States has increased since 2011.¹⁵⁸ Respondents generally agreed with this assessment.¹⁵⁹ The reasons given by market participants for this increase in demand mostly focused on the development of shale plays, increased drilling, and increased OCTG requirements per rig due to horizontal drilling.¹⁶⁰ Horizontal drilling and hydraulic fracturing (“fracking”) have played an increasing role in oil and gas exploration.¹⁶¹ Because both techniques allow wells to reach greater distances, the footage of OCTG used in fracking and/or horizontal drilling can be greater on a per well basis than the footage used in traditional vertical wells.¹⁶²

2. Supply Considerations

The 17 domestic producers that responded to the Commission’s U.S. producers’ questionnaire accounted for the vast majority of OCTG produced in the United States.¹⁶³ The

(...Continued)

¹⁵⁴ As explained in Section III above, we have defined the domestic industry producing OCTG to include not only mills that roll OCTG, but also processors that engage in heat treatment. In measuring apparent U.S. consumption by volume, however, we have included the U.S. shipments of only the mills and not the processors. CR/PR at Table IV-15. We have done this because including all U.S. shipments of processors would lead to double counting on a quantity basis because all OCTG shipped by processors has already been counted as a shipment by a U.S. mill or as an import.

¹⁵⁵ CR/PR at Figures II-3, II-4, and II-5.

¹⁵⁶ CR/PR at Figure II-3. The number of rigs in the United States was around 1,700 at the beginning of 2011, rose to around 2,000 in late 2011 and early 2012, remained at that level until mid-2012, declined to about 1,750 by early 2013, and remained roughly at that level through the first quarter of 2014.

¹⁵⁷ CR/PR at Figure II-4. Operator consumption levels were about 430,000 net tons at the beginning of 2011, rose to about 550,000 net tons in late 2011, declined to about 470,000 net tons in the first quarter of 2013, and then rose to about 570,000 net tons by the end of the first quarter of 2014.

¹⁵⁸ CR/PR at Table II-5.

¹⁵⁹ Korean Respondent Group Prehearing Brief at 7-10, Borusan Prehearing Brief at 8-10, Ukrainian Respondents’ Prehearing Brief at 6-9, and Saudi Respondents’ Prehearing Brief at 8-14

¹⁶⁰ CR at II-20, PR at II-16.

¹⁶¹ CR at II-1, PR at II-1. The proportion of rigs that employ horizontal drilling has increased substantially in recent years, rising from 20 percent of total rigs at the beginning of 2007 to more than 56 percent at the beginning of 2010 and reaching 67 percent in March 2014. CR at II-19, PR at II-15 and CR/PR at Figure II-8.

¹⁶² CR at II-1, PR at II-1.

¹⁶³ CR at III-1, PR at III-1.

capacity of U.S. mills producing OCTG increased from 5.0 million short tons in 2011 to 5.2 million short tons in 2012 and 5.8 million short tons in 2013.¹⁶⁴ The capacity of U.S. processors producing OCTG increased from 674,376 short tons in 2011 to 996,876 short tons in 2012 and 1.1 million short tons in 2013.¹⁶⁵ Capacity utilization of U.S. mills increased from 67.6 percent in 2011 to 69.2 percent in 2012 and 70.8 percent in 2013.¹⁶⁶ The capacity utilization of U.S. processors producing OCTG decreased from 76.0 percent in 2011 to 69.6 percent in 2012 before increasing to 71.6 percent in 2013.¹⁶⁷ U.S. producers have planned further expansions and additional plant openings in 2014, but have also shut down and idled some facilities.¹⁶⁸

The 31 subject producers/exporters of OCTG that responded to the Commission's questionnaires accounted for all or virtually all imports of OCTG in 2013 from seven of the eight subject countries in these investigations.¹⁶⁹ Combined capacity in the five subject countries which we cumulated for our analysis of material injury by reason of subject imports (India, Korea, Turkey, Ukraine, and Vietnam) rose from *** short tons in 2011 to *** short tons in 2012 and *** short tons in 2013.^{170 171 172} Total capacity utilization for the industries in these five subject countries rose from *** percent in 2011 to *** percent in 2012 and then declined to *** percent in 2013.^{173 174}

Imports from nonsubject countries were present in the U.S. market throughout the POI.¹⁷⁵ They originated from a variety of countries, including Argentina, Austria, Canada,

¹⁶⁴ CR/PR at Table III-4. The capacity of these mills was 1.4 million short tons in interim 2013 and 1.5 million short tons in interim 2014.

¹⁶⁵ CR/PR at Table III-4. The capacity of these processors was 257,642 short tons in interim 2013 and 320,084 short tons in interim 2014. *Id.*

¹⁶⁶ CR/PR at Table III-4. Capacity utilization of U.S. mills was 72.4 percent in interim 2013 and 72.0 percent in interim 2014. *Id.*

¹⁶⁷ CR/PR at Table III-4. The capacity utilization of these processors was 67.9 percent in interim 2013 and 73.5 percent in interim 2014. *Id.*

¹⁶⁸ CR/PR at Table III-2b.

¹⁶⁹ CR at VII-4, 10, 15, 29, 34, 39, and 45; PR at VII-3, 5, 8, 13, 15, 17, and 19. Responding producers/exporters from Vietnam accounted for only *** percent of imports of OCTG from Vietnam in 2013. CR at VII-51, PR at VII-21.

¹⁷⁰ CR/PR at Table G-12. Capacity in these five countries was *** short tons in interim 2013 and *** short tons in interim 2014.

¹⁷¹ Capacity of the subject producers in Taiwan rose from *** short tons in 2011 to *** short tons in 2012, remained at that level in 2013, and was *** short tons in both interim 2013 and interim 2014. CR/PR at Table VII-9. Chairman Broadbent does not join in this footnote.

¹⁷² As noted above, Chairman Broadbent determines that subject imports from Taiwan are negligible for purposes of both the Commission's present material injury analysis and its threat of material injury analysis. As such, she does not join any analysis of subject imports from Taiwan within this section.

¹⁷³ CR/PR at Table G-12. Capacity utilization for the industries in these five subject countries was *** percent in interim 2013 and *** percent in interim 2014.

¹⁷⁴ Capacity utilization in Taiwan fell from *** percent in 2011 to *** percent in 2012 and *** percent in 2013; it was *** percent in interim 2013 and *** percent in interim 2014. CR at Table VII-9.

¹⁷⁵ CR/PR at Table IV-3.

Germany, Japan, and Mexico. Several domestic producers have affiliates that produce OCTG in nonsubject countries such as ***.¹⁷⁶ OCTG imports from China have all but disappeared from the U.S. market after antidumping and countervailing duty orders were imposed on OCTG from China in 2010.¹⁷⁷

A sizable portion of imports from subject and, to some degree, nonsubject sources consists of OCTG products that are further processed in the United States, such as green tubes that may not have been heat treated or threaded, as well as plain-end pipe that may have been heat treated but not threaded.¹⁷⁸

Inventories of U.S.-produced OCTG and OCTG from subject and nonsubject countries held by purchasers are also a source of current supply. U.S. inventory levels expressed in months of supply on hand reached a trough of 4.2 months in January 2012, but then increased until October 2012. After dipping slightly at the end of 2012, U.S. inventories increased until the fourth quarter of 2013 and then dropped again in the first quarter of 2014.¹⁷⁹

3. Substitutability

OCTG is produced according to standards and specifications published by a number of organizations, including the API.¹⁸⁰ Once a mill passes inspection and obtains API certification, it may begin marketing its OCTG as API grade.¹⁸¹ OCTG is usually produced in accordance with API specification 5CT, which encompasses 11 separate grades of casing and tubing.¹⁸² OCTG is produced in two forms: seamless and welded.¹⁸³

There is a moderate to high degree of substitutability between U.S.-produced OCTG and imported OCTG that is of the same API grade and type.¹⁸⁴ All responding domestic producers and a majority of importers and purchasers reported that subject imports of OCTG from the subject countries are always or frequently used interchangeably with each other and with the domestic like product. The remaining domestic producers and importers indicated that subject imports from the subject countries are sometimes used interchangeably with each other and with the domestic like product. No domestic producers or importers reported that subject imports are never used interchangeably with each other and with the domestic like product. Most of the remaining purchasers also reported that subject imports are sometimes used interchangeably with each other and with the domestic like product; very few of them reported

¹⁷⁶ CR/PR at Table III-1 notes 5, 6, 7, 8, 12, 14, 15, and 16.

¹⁷⁷ Exhibit to Testimony by U.S. Steel entitled "Trade Relief Against Chinese Imports Has Been Extremely Effective."

¹⁷⁸ CR/PR at Tables G-4 and IV-11.

¹⁷⁹ CR/PR at Figure II-1.

¹⁸⁰ CR at I-16-17, PR at I-13. While other organizations and standards exist, for the purposes of these investigations, we will identify different grades of OCTG using API standards and specifications.

¹⁸¹ CR at II-13, PR at II-24.

¹⁸² CR at I-22, PR at I-19.

¹⁸³ CR at I-16, PR at I-13.

¹⁸⁴ CR at II-24, PR at II-18.

that subject imports are never used interchangeably with each other and with the domestic like product.¹⁸⁵

We recognize that substitutability between subject imports and the domestic like product may be somewhat limited by a number of factors, including differences between seamless and welded OCTG, differences between “upgradeable” and finished OCTG, the concentration of subject imports and the domestic like product in different grades, the limitation of proprietary connections mostly to the domestic like product, and the use of program sales. We discuss each of these in turn below.

Seamless and Welded OCTG. Imports from each of the subject countries tended to be concentrated in either welded or seamless OCTG. Imports from Korea, Turkey, and Vietnam were almost exclusively welded OCTG; imports from Ukraine were exclusively seamless OCTG; and imports from India were predominantly seamless OCTG.¹⁸⁶ Production by the domestic industry was more equally divided, with a small preponderance of seamless product.¹⁸⁷ Regardless of whether a subject country’s imports were concentrated in one or the other type of OCTG, they compete at least with the domestic industry’s production of that type of product. Moreover, there is a significant degree of interchangeability between welded and seamless OCTG, notwithstanding that welded and seamless OCTG are not interchangeable in all applications. Seamless OCTG can be used in any welded OCTG application. The reverse is not true, however, because certain high-stress applications require seamless OCTG, and the seamless product may also be preferred in some applications to reduce risk.¹⁸⁸ In short, differences between seamless and welded OCTG do not significantly limit competition between cumulated subject imports and the domestic like product.

“Upgradeable” and Finished OCTG. We recognize that some subject imports are imported in the condition of “at API but upgradeable” and that a larger proportion of subject imports than U.S. producers’ U.S. shipments are in this condition.¹⁸⁹ Nonetheless, a large and increasing proportion of subject imports were either “at final API but needs end finishing” or “finished OCTG” – the two categories in which most U.S. producers’ U.S. shipments were concentrated.¹⁹⁰ OCTG that is “at final API but needs end finishing” requires relatively little

¹⁸⁵ CR/PR at Table II-12.

¹⁸⁶ CR at IV-17, PR at IV-12. Additionally, imports from Taiwan were almost exclusively welded OCTG.

¹⁸⁷ CR at IV-17, PR at IV-12.

¹⁸⁸ CR at II-39, PR at II-29. A witness for petitioners estimated that welded OCTG could be used for 70 percent of seamless applications, and a witness for respondents noted that they are interchangeable in many cases from an engineering perspective. Conference Tr. pp. 109 (Matthews) and 261 (Brewer).

¹⁸⁹ For example, in 2013, *** percent of U.S. importers’ U.S. imports from India, Korea, Turkey, Ukraine, and Vietnam consisted of “at API but upgradeable” product (See CR/PR at Table G-5), whereas only *** percent of U.S. producers’ U.S. shipments were in this category. See CR/PR at Table IV-9.

¹⁹⁰ For example, in 2013, *** percent of U.S. importers’ U.S. imports from India, Korea, Turkey, Ukraine, and Vietnam were in these two product categories (See CR/PR at Table G-5), as were *** percent of U.S. producers’ U.S. shipments. See CR/PR at Table IV-9.

further processing before becoming a finished product.¹⁹¹ Thus, the fact that some subject imports are imported in the condition of “at API but upgradeable” does not alter our conclusion that there is a moderate to high degree of substitutability between U.S.-produced OCTG and imported OCTG that is of the same API grade and type.

Different Grades of OCTG. We recognize that particular OCTG grades constitute different percentages of subject imports from India, Korea, Turkey, Ukraine, and Vietnam on the one hand, and the domestic like product on the other. For example, in 2013, the individual grade with the largest volume for subject imports was J-55, while it was P-110 for the domestically produced product.¹⁹² Nonetheless, for both the subject imports and the domestic like product, substantial volumes of shipments were concentrated in the same three OCTG grades: J-55, L-80, and P-110.¹⁹³ The largest volume of U.S. importers’ U.S. shipments from subject sources in 2013 was in the J-55 grade, at *** short tons, compared to the 806,818 short tons of U.S. shipments from U.S. producers.¹⁹⁴ Thus, the varying percentages that individual grades represent of the subject imports and the domestic like product do not indicate significantly limited competition between subject imports and the domestic like product.

The evidence in the record as to trends in the types of OCTG consumed in the United States during the POI is mixed. Petitioners maintain that changes in technology, specifically a shift to horizontal oil drilling and pad drilling, have altered the type of OCTG consumed by wells, and that because horizontal rigs generally are onshore in nonhostile environments, they do not generally require premium or proprietary connections. This and the standardization of drilling patterns have led to increased use of standard, API-grade OCTG products that constitute the bulk of subject imports, according to Petitioners. Petitioners estimate that about 80 percent of U.S. demand is for standard, API-grade OCTG.¹⁹⁵ Respondents, on the other hand, maintain that the recent increased use of horizontal drilling and of hydraulic fracturing has, in fact, shifted the composition of U.S. OCTG demand away from basic API grades and toward increased use of high grade and specialty OCTG products, including those with proprietary premium connections – products that are not available from subject imports, but are available from domestic producers and nonsubject import sources affiliated with domestic producers.¹⁹⁶ The majority of producers and importers responding to the Commission’s questionnaires reported that the increase in demand for OCTG used in horizontal drilling has led to greater

¹⁹¹ See CR at I-32, PR at I-25.

¹⁹² CR/PR at Tables G-15 and IV-12.

¹⁹³ In 2013, 91.8 percent of shipments of subject imports from India, Korea, Turkey, Ukraine, and Vietnam were in these three grades (See CR/PR at Table G-5), as were 79.2 percent of U.S. producers’ U.S. shipments. See CR/PR at Table IV-12. In 2013, the quantities of U.S. producers’ U.S. shipments and U.S. importers’ U.S. shipments of subject imports, respectively, for these three grades were : (i) J-55 – 806,818 shorts tons and *** short tons; (ii) L-80 – 553,466 short tons and *** short tons; and (iii) 1,727,521 short tons and *** short tons. CR/PR at Tables IV-12 and G-9.

¹⁹⁴ CR/PR at Tables G-15 and IV-12.

¹⁹⁵ E.g., Maverick Prehearing Brief at 19-23.

¹⁹⁶ Korean Respondent Group Prehearing Brief at 7-10, Borusan Prehearing Brief at 8-10, Ukrainian Respondents’ Prehearing Brief at 6-9, Saudi Respondents’ Prehearing Brief at 8-14,

demand for higher-grade OCTG, such as more heat-treated or alloy grade OCTG.¹⁹⁷ We conclude that, regardless of the nature of trends in the types of OCTG consumed in the United States during the POI, the record shows that subject imports and the domestic like product were both represented in the major types of OCTG.

Proprietary Connections. As discussed above in connection with cumulation, the requirement to supply proprietary connections limits substitutability for certain sales. We note, however, that most of the domestic industry's shipments do not involve OCTG with proprietary connections.¹⁹⁸ Moreover, subject imports were also present in this part of the market.¹⁹⁹ Thus, the demand for proprietary connections does not significantly limit competition between subject imports and the domestic like product.

Program Sales. Program sales are non-contractual obligations between mills, distributors, and end users which encompass what type of OCTG is to be supplied, when it will be supplied, and at what price it will be supplied.²⁰⁰ We recognize that program sales are an important means for making sales for the domestic industry²⁰¹ and that subject imports participate in these types of sales arrangements to a considerably lesser degree.²⁰² This does not mean, however, that domestically produced OCTG sold pursuant to these arrangements is insulated from price competition from subject imports. Many market participants reported that the terms of program sales are not legally binding.²⁰³ Thus, the pricing terms of these program sales could be subject to renegotiation to reflect pricing pressure brought by subject imports or any other source of supply. Moreover, even to the extent that pricing terms in program sales are legally binding, these terms are affected by published price indexes,²⁰⁴ which in turn are affected by external pricing pressure. In short, the domestic industry's use of program sales does not significantly limit competition between subject imports and the domestic like product.

We have also considered the foregoing factors in the aggregate and we conclude that, even when considered in such a manner, they do not significantly attenuate competition between the subject imports and the domestic like product. At most, the factors cited by the respondents focus on product characteristics, or, in the case of program sales, the nature of the sales process. They indicate – both individually and in the aggregate – that there is not a perfect overlap between the cumulated subject imports and the domestic like product. Nevertheless, respondents do not explain how these factors operate in the aggregate to shield the domestic industry from competition by the subject imports, and the record does not

¹⁹⁷ CR at II-21, PR at II-16.

¹⁹⁸ For example, in 2013 only *** percent of U.S. producers' U.S. shipments had such connections. CR/PR at Table IV-13.

¹⁹⁹ For example, in 2013, U.S. importers reported shipping *** short tons from India, Korea, Turkey, Ukraine, and Vietnam with proprietary connections. CR/PR at Table G-15.

²⁰⁰ CR at II-42, PR at II-31.

²⁰¹ In 2013, *** percent of the domestic industry's sales were program sales. CR/PR at Table V-3.

²⁰² See CR/PR at Table V-3.

²⁰³ CR/PR at Table V-5.

²⁰⁴ See, e.g., U.S. Purchasers' Questionnaire Responses of ***, at III-25(i).

indicate that there is a lack of competition between the domestic like product and the subject imports in any significant and discrete segment of the market. To the contrary, the record indicates significant competition between the domestic like product and the cumulated subject imports.

4. Other Conditions

The primary raw materials used to make OCTG are hot-rolled steel and billets (and associated inputs such as coke, scrap, pig iron, and hot-briquetted iron). Raw materials as a share of the cost of goods sold for domestic OCTG mills decreased from 59.3 percent in 2011 to 58.3 percent in 2012 and increased to 59.0 percent in 2013; they were 58.1 percent in interim 2014 and 59.3 percent in interim 2013.²⁰⁵

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”²⁰⁶

Cumulated subject imports from India, Korea, Turkey, Ukraine, and Vietnam had a substantial presence in the U.S. market throughout the POI. Cumulated subject imports increased from *** short tons in 2011 to *** short tons in 2012, and remained at that level in 2013.²⁰⁷ The absolute volume of cumulated subject imports had increased sharply since 2010, when Commerce issued antidumping and countervailing duty orders on OCTG from China.²⁰⁸ As explained above, apparent U.S. consumption rose during the POI, increasing by 16.4 percent between 2011 and 2012 and by 0.3 percent between 2012 and 2013, for an overall increase of 16.8 percent between 2011 and 2013.²⁰⁹ The volume of cumulated subject imports rose much faster, increasing by *** percent between 2011 and 2012 but decreasing by *** percent between 2012 and 2013, for an overall increase of *** percent between 2011 and 2013.²¹⁰

The market share (by quantity) of cumulated subject imports from India, Korea, Turkey, Ukraine, and Vietnam increased from *** percent in 2011 to *** percent in 2012 and then

²⁰⁵ CR/PR at V-1.

²⁰⁶ 19 U.S.C. § 1677(7)(C)(i).

²⁰⁷ CR/PR at Table G-8. Cumulated subject imports were *** short tons in interim 2013 and *** short tons in interim 2014.

²⁰⁸ CR/PR at Table G-1; *Certain Oil Country Tubular Goods From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 Fed. Reg. 3203 (Jan. 20, 2010); *Certain Oil Country Tubular Goods From the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 75 Fed. Reg. 28551 (May 21, 2010).

²⁰⁹ CR/PR at Table C-1. Apparent U.S. consumption in interim 2014 was 14.7 percent higher than in interim 2013. *Id.*

²¹⁰ CR/PR at Table G-8. The volume of cumulated subject imports in interim 2014 was *** percent higher than in interim 2013. *Id.*

declined slightly to *** percent in 2013.^{211 212} The gain in market share by subject imports between 2011 and 2012 came mostly at the expense of the domestic industry, whose market share decreased from 52.5 percent in 2011 to 48.7 percent in 2012. Between 2012 and 2013, the domestic industry's market share rose from 48.7 percent to 53.5 percent, and this gain came at the expense of nonsubject imports.²¹³ Nonsubject imports' market share decreased *** percentage points from *** percent in 2011 to *** percent in 2013.²¹⁴

We find that the cumulated volume of subject imports, and the increase in that volume, are significant in absolute terms.²¹⁵

²¹¹ CR/PR at Table G-9. Cumulated subject imports held *** percent of U.S. market share (by quantity) in interim 2013 and *** percent in interim 2014.

²¹² As explained above, in measuring apparent U.S. consumption by volume, in order to avoid double-counting, we have included the U.S. shipments of only the OCTG mills and not the processors.

²¹³ For purposes of this section, "nonsubject imports" are those from sources not subject to these investigations. CR/PR at Table IV-8. The domestic industry's market share was 51.6 percent in interim 2012 and 54.2 percent in interim 2013. *Id.*

²¹⁴ CR/PR at Table G-9. The market share of nonsubject imports was *** percent in interim 2014, higher than the *** in interim 2013. *Id.*

²¹⁵ ILJIN argues that the Commission should exclude from its volume and price effects analysis all imports of green tubes that are, after importation, processed by heat treating as well as by other processes (such as threading and coupling, upsetting and quality testing) before being sold in the U.S. merchant OCTG market. ILJIN argues that this result is compelled by the Commission's decisions in *Certain Wax and Wax/Resin Thermal Transfer Ribbons from France and Japan*, Inv. Nos. 731-TA-1039-1040, and *Certain Lightweight Thermal Paper from China and Germany*, Inv. Nos. 701-TA-451 and 731-TA-1126-1127. ILJIN Prehearing Brief at 13-18.

We disagree with ILJIN's argument. ILJIN reads too much into the Commission's decisions in *Thermal Transfer Ribbons* and *Lightweight Thermal Paper*. *Thermal Transfer Ribbons* involved a situation where imports consisted entirely of semi-finished products (jumbo rolls) processed by slitters/converters (which were deemed part of the domestic industry) into finished products (TTR). The Commission rejected an argument by petitioners in those investigations that the Commission should measure shipments and market share of the subject imports on the basis of shipments of finished TTR (USITC Pub. 3683 at 23), and it discounted price comparisons that included finished TTR in the import data (USITC Pub. 3683 at 24). On remand, the Commission adopted its conclusion from the original views that price trends for sales of TTR produced by slitters/converters from imported jumbo rolls "could not have resulted from subject import competition because the reported pricing data {for two of the pricing products} reflect competition among domestic producers." USITC Pub. 3854 at 7.

In *Lightweight Thermal Paper* the Commission declined to cumulate imports of finished slit rolls from China with imports of unslit jumbo rolls from Germany because it found that the imports were not functionally interchangeable upon importation. USITC Pub. 4043 at 14.

Although in these investigations the Commission considered how to avoid double-counting imported merchandise subsequently processed in the United States, they do not support ILJIN's proposition that the Commission should entirely exclude semifinished imported products that are within the scope definition from the volume and price effects analyses.

We agree with ILJIN only insofar as it would be inappropriate to treat sales of imported green tube that have been heat treated in the United States as sales of subject imports for purposes of price (Continued...)

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that evaluating the price effects of the subject imports, the Commission shall consider whether

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.²¹⁶

As explained in Section VI.B.3. above, the record indicates that there is a moderate to high degree of substitutability between subject imports and domestically produced OCTG made to the same specifications and that price is an important factor in purchasing decisions. We recognize that price is not the only important factor in pricing decisions. In a ranking of factors used in purchasing decisions as reported by U.S. purchasers, quality was the most frequently cited most important factor (cited by 31 purchasers), followed by price (19 purchasers); price was the most frequently reported second- and third-most important factor (16 and 18 purchasers, respectively).²¹⁷ The importance of quality as a purchasing factor is mitigated somewhat by the fact that OCTG, regardless of source, is produced to API specifications.

The Commission collected quarterly pricing data on six OCTG products.²¹⁸ Ten U.S. producers and 18 importers²¹⁹ provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products and all quarters.²²⁰

(...Continued)

comparisons. No such sales are included in the Commission's price data. CR at V-15-16 n.11, PR at V-9 n.11.

²¹⁶ 19 U.S.C. § 1677(7)(C)(ii).

²¹⁷ CR at II-28, PR at II-21, CR/PR at Table II-8. Lead times and availability were also noted as important factors determining purchasers' sourcing decisions. *Id.*

²¹⁸ The pricing products were: Product 1 -- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless; Product 2 -- Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded; Product 3 -- Casing, Grade J-55, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, welded; Product 4 -- Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless; Product 5 -- Casing, Grade J-55, 8 5/8" O.D., 32.0 lbs./ft., threaded and coupled, range 3, welded; and Product 6 -- Casing, Grade J-55, 9 5/8" O.D., 36.0 lbs./ft., threaded and coupled, range 3, welded. CR at V-15, PR at V-9. Firms that had supplied pricing data for seamless products 1 and 4 were asked to divide their sales for those products among OCTG that had API-standard threading and OCTG that had non-API standard threading. CR at V-15-16, PR at V-9. We did not use data for pipe with non-API standard threading in our analysis of quarterly pricing data.

²¹⁹ These were importers of subject merchandise from the five subject countries which we cumulated for our analysis of material injury.

²²⁰ CR at V-15, PR at V-9. Reported pricing products represented 11.6 percent of U.S. shipments of U.S.-produced products during the POI and *** percent of shipments of imported product from India, (Continued...)

The quarterly pricing data show that the subject imports undersold the domestic like product in 165 of 189 possible comparisons and oversold the domestic like product in the remaining 24 instances.²²¹ The margins of underselling ranged from *** percent to *** percent, and the average margin of underselling was *** percent.²²² Given the high frequency of underselling and the fact that price is an important consideration in purchasing decisions, we find the underselling to be significant.²²³

We are not persuaded by respondents' contention that the observed underselling can be attributed to price premiums commanded by the domestic like product.²²⁴ Almost an equal number of purchasers reported that they were not willing to pay a price premium for domestically produced OCTG as reported that they were willing to pay such a premium.²²⁵ Moreover, a representative from a major distributor of OCTG testified that "for like products, for like quality from mills that make commensurate products, there is not a serious or a real measureable increase or premium for domestic product."²²⁶ Because price is important to purchasing decisions, the fact that some purchasers may be willing to pay a higher price for a domestically produced product does not mean that domestic producers can establish price only with such purchasers in mind. They must price for purchasers generally, including the substantial numbers who will not pay higher prices, as a purchaser presumably will not be willing to pay a higher price for the same product than a competitor pays.²²⁷ This is particularly true given the prevalence of short-term and spot sales in the market.²²⁸ We also note that for the largest individual source of subject imports, Korea, a substantial majority of purchasers

(...Continued)

*** percent of shipments of imported product from Korea, *** percent of shipments of imported product from Turkey, *** percent of shipments of imported product from Ukraine, and *** percent of shipments of imported product from Vietnam. CR at V-16, PR at V-9-10.

²²¹ CR/PR at Table G-10.

²²² CR/PR at Table G-10.

²²³ While we typically rely on AUV data with caution because differences in AUVs can reflect differences in product mix, we note that AUV data for U.S. producers' U.S. shipments and subject imports from India, Korea, Turkey, Ukraine, and Vietnam in 2013 corroborate the underselling observed in the quarterly price comparisons. We collected AUV data for U.S. producers' U.S. shipments and U.S. importers' U.S. shipments of subject imports for 14 grades of OCTG in 2013. Subject imports were present in 10 of these grades. The AUV of subject imports was less than that of the domestic like product for each of these grades. In the aggregate, the AUV of U.S. producers' U.S. shipments in 2013 was \$*** per short ton, and the AUV for U.S. importers' U.S. shipments of cumulated subject imports was \$*** per short ton. CR/PR at Tables IV-12 and G-15.

²²⁴ *E.g.*, Korean Respondent Group Prehearing Brief at 22-23.

²²⁵ When comparing OCTG from the five subject countries individually with OCTG produced domestically, 119 purchaser responses indicated that they were not willing to pay more for the domestic like product, and 121 responses indicated that they were willing to pay a premium. CR/PR at Table II-16.

²²⁶ Hearing Tr. at 194 (Miller).

²²⁷ As noted by a representative of a major OCTG distributor, market participants are able to see the latest pricing data from across the country in publications like Preston Pipe or PipeLogix. Hearing Tr. at 106-107 (Shoaff).

²²⁸ See CR/PR at Table V-3.

stated that they would not pay a price premium.²²⁹ Nevertheless, subject imports from Korea undersold the domestic like product in the vast majority of comparisons at an average 7.3 margin,²³⁰ which was higher than the premium suggested by some purchasers.²³¹

We find that the subject imports, because of their pervasive underselling, depressed prices for the domestic like product to a significant degree. In general, prices for the domestic like product increased during 2011, began to decline around the beginning of 2012, fell throughout the rest of 2012 and in the first quarter of 2013, and then leveled off or slightly increased in the second half of 2013 and the first quarter of 2014.²³² Thus, these declines in the prices of the domestic like product began to occur at a time of robust increases in demand. As noted above, apparent U.S. consumption of OCTG increased from 6.0 million short tons in 2011 to 7.0 million short tons in 2012 and remained at 7.0 million short tons in 2013.²³³ Prices for the domestic like product were highest in either the third or fourth quarter of 2011 for five of the six pricing products, and lowest in the first through third quarters of 2013 for five of the six pricing products. Prices for the domestic like product were lower by 1.2 to 19.3 percent for five of the six products in the first quarter of 2014 compared with the first quarter of 2011.²³⁴

Respondents argue that subject imports did not depress domestic prices because changes in domestic prices do not correlate with trends in subject import volume. They assert that prices for the domestic product rose during the period when the largest increase in subject imports occurred, from 2011 to 2012.²³⁵ The evidence on the record does not support this assertion. The year 2012, when subject imports rose by *** percent,²³⁶ also saw sharp price declines for the domestic like product.²³⁷

Respondents' argument that declining OCTG prices were caused by falling raw material costs²³⁸ also is not borne out by information in the record regarding trends in raw material costs and the magnitude of declines in those costs. In 2011, trends in raw material costs for both scrap and hot-rolled sheet diverged from the price trends for all six products for which the Commission requested quarterly data.²³⁹ Although trends in the six pricing products moved in a manner more similar to these raw material costs from 2012 through the first quarter of 2014,

²²⁹ For OCTG from Korea 30 out of 49 purchasers reported that they were not willing to pay more for the domestic product. CR/PR at Table II-16.

²³⁰ Subject imports from Korea undersold the domestic like product in 42 of 46 quarterly comparisons. CR/PR at Table V-14.

²³¹ The 19 purchasers who reported that they were willing to pay more for the domestic like product than for subject imports from Korea reported being willing to pay an average of between 6 and 16 percent more for the domestic product. CR/PR at Table II-16.

²³² CR at V-32, PR at V-20, and CR/PR at Figure V-10. These price trends are also reflected in OCTG prices reported in an industry publication, ***. U.S. Steel Posthearing Brief at Exhibit 16.

²³³ CR/PR at Table C-1.

²³⁴ CR at V-32, PR at V-20.

²³⁵ *E.g.*, Korean Respondents' Prehearing Brief at 26.

²³⁶ CR/PR at Table G-8.

²³⁷ CR/PR at Figure V-10 and U.S. Steel Posthearing Brief at Exhibit 16.

²³⁸ *E.g.*, Korean Respondents' Prehearing Brief at 26-27.

²³⁹ Compare CR/PR at Figure V-1 with CR/PR at Figures V-4-V-9.

raw material cost changes cannot account fully for the change in the six products' price movements. Between the first quarter of 2012 and the first quarter of 2014, hot-rolled steel sheet prices declined by \$68 per short ton, and scrap prices declined by \$27 per short ton.²⁴⁰ In contrast, prices for the six pricing products declined by between \$149 and \$349 (or a simple average of \$231) over the same period.²⁴¹

We are unpersuaded by respondents' argument that the declines in domestic OCTG prices are attributable to the domestic industry's capacity expansions during the POI. The growth in production capacity of U.S. OCTG mills was not appreciably greater than the growth in demand.²⁴² Moreover, most of the new capacity was added in 2013,²⁴³ whereas the prices of the domestic like product began to fall in late 2011 and early 2012.

For the foregoing reasons, we find that there has been significant price underselling by the subject imports and that subject imports depressed domestic prices to a significant degree.²⁴⁴

E. Impact of the Subject Imports²⁴⁵

Section 771(7)(C)(iii) of the Tariff Act provides that in examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on

²⁴⁰ CR/PR at Figures V-2 and V-3.

²⁴¹ CR/PR at Tables V-6-V-11. We also note that the net sales unit value for U.S. mills declined by \$178, or 10.3 percent, between 2012 and 2013, while the unit raw material cost of goods sold fell by only \$35, or 4.3 percent. CR/PR at Table VI-1.

²⁴² From 2011 to 2013, the average capacity of U.S. mills grew by 17.9 percent, while the quantity of U.S. apparent consumption grew by 16.8 percent. While there was also growth in processing capacity during this period, the overwhelming percentage of domestic industry capacity is mill capacity.

²⁴³ Capacity rose by 12.0 percent in 2013, compared to an increase of only 5.2 percent in 2012. CR/PR at Table C-1.

²⁴⁴ Petitioners made 84 lost sales allegations involving \$285 million and 167,079 short tons and 15 lost revenue allegations involving \$11.2 million and 19,197 short tons. Purchasers agreed with allegations totaling 42,501 short tons of lost sales, accounting for \$68.2 million, as well as 9,905 short tons of lost revenue accounting for \$935,287. CR at V-38, PR at V-25. These confirmed lost sales and lost revenue allegations provide further support for our finding that subject imports had significant price effects on prices for the domestic like product.

²⁴⁵ The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at less than fair value, Commerce found the following antidumping duty margins: India -- 2.05 percent to 9.91 percent for individually investigated respondents, 5.79 percent for all others; Korea -- 9.89 percent to 15.75 percent for individually investigated respondents, 12.82 percent for all others; Turkey -- 0.00 percent for Borusan (which did not receive a non-de minimis subsidy rate); 35.86 percent for the other individually investigated respondents and all others; Ukraine -- 6.73 percent for the individually investigated respondents and for all others; and Vietnam -- 24.22 percent for the individually investigated respondent, 111.47 percent for all others. CR/PR at Table I-3.

the state of the industry.”²⁴⁶ These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”

We find that subject imports of OCTG from India, Korea, Turkey, Ukraine, and Vietnam had a significant impact on the domestic industry during the POI. This was a period of strong demand, and the domestic industry’s trade and employment indicators reflected this expansion in the market. However, the significant and increasing volume of subject imports, which undersold the domestic like product and depressed domestic prices to a significant degree, led to a substantial erosion of the domestic industry’s financial performance despite favorable market conditions.

The capacity of domestic OCTG mills increased from 4.9 million short tons in 2011 to 5.2 million short tons in 2012 and 5.8 million short tons in 2013, for an overall increase of 17.9 percent.²⁴⁷ Processors’ capacity increased from 674,376 short tons in 2011 to 996,876 short tons in 2012 and 1.0 million short tons in 2013, for an overall increase of 62.1 percent.²⁴⁸ Production at mills increased from 3.3 million short tons in 2011 to 3.6 million short tons in 2012 and 4.1 million short tons in 2013, for an overall increase of 23.4 percent.²⁴⁹ Processors’ production was 512,674 short tons in 2011, 693,525 short tons in 2012, and 783,266 short tons in 2013, for an overall increase of 52.8 percent.²⁵⁰ Capacity utilization at mills was 67.6 percent in 2011, 69.2 percent in 2012, and 70.8 percent in 2013, increasing overall by 3.2 percentage points.²⁵¹ Capacity utilization at processors was 76.0 percent in 2011, 69.6 percent in 2012, and 71.6 percent in 2013, for an overall decrease of 4.4 percentage points.²⁵²

²⁴⁶ 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 (“In material injury determinations, 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 also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.”).

²⁴⁷ CR/PR at Table C-1. The capacity of the mills was 1.5 million short tons in interim 2014, up from 1.4 million short tons in interim 2013. *Id.*

²⁴⁸ CR/PR at Table C-1. The capacity of processors was 320,084 short tons in interim 2014, up from 257,642 short tons in interim 2013. *Id.*

²⁴⁹ CR/PR at Table C-1. The production of the mills was 1.0 million short tons in both interim 2014 and interim 2013. *Id.*

²⁵⁰ CR/PR at Table C-1. The production of processors was 235,359 short tons in interim 2014, up from 175,046 short tons in interim 2013. *Id.*

²⁵¹ CR/PR at Table C-1. The capacity utilization of the mills was 72.0 percent in interim 2014, down slightly from 72.4 percent in interim 2013. *Id.*

²⁵² CR/PR at Table Table C-1. The capacity utilization of the processors was 73.5 percent in interim 2014, up from 67.9 percent in interim 2013. *Id.*

The mills' U.S. shipments increased from 3.1 million short tons in 2011 to 3.4 million short tons in 2012 and 3.7 million short tons in 2013, for an overall increase of 19.1 percent.²⁵³ The market share of the mills fell from 52.5 percent in 2011 to 48.7 percent in 2012, but then increased to 53.5 percent in 2013.²⁵⁴ Processors' U.S. shipments increased from 499,623 short tons in 2011 to 681,109 short tons in 2012 and 789,499 short tons in 2013, for an overall increase of 58.0 percent.²⁵⁵

The mills' end of period inventories decreased from 10.8 percent of total shipments in 2011 to 8.9 percent in 2012, and then increased to 9.1 percent in 2013.²⁵⁶ Processors' end of period inventories increased from *** percent of total shipments in 2011 to *** percent in 2012, and then decreased to *** percent in 2013.²⁵⁷

The number of production workers, hours worked, and wages paid at mills all increased from 2011 to 2013, by 15.3 percent, 23.0 percent, and 37.4 percent respectively.²⁵⁸ The number of production workers, hours worked, and wages paid at processors combined also increased from 2011 to 2013, by 33.7 percent, 45.6 percent, and 60.1 percent respectively.²⁵⁹

The mills' net sales value increased from \$5.6 billion in 2011 to \$6.2 billion in 2012 and \$6.2 billion in 2013, for an overall increase of 11.4 percent.²⁶⁰ However, as the significant and increasing volume of subject imports depressed domestic prices, the financial performance of the mills deteriorated. Although the net sales value for mills increased by 11.4 percent in the 2011-2013 period, the cost of goods sold ("COGS") increased to a much greater extent, by 19.3 percent,²⁶¹ resulting in declining operating income. The COGS/net sales ratio for mills rose from 81.1 percent in 2011 to 82.7 percent in 2012 and 86.9 percent in 2013.²⁶² Therefore, despite increased sales, the mills' operating income fell from \$641 million in 2011 to \$613 million in

²⁵³ CR/PR at Table C-1. The mills' U.S. shipments were 950,579 short tons in interim 2014, up from 870,703 short tons in interim 2013. *Id.*

²⁵⁴ CR/PR at Table C-1. The mills' market share was 51.6 percent in interim 2014, down from 54.2 percent in interim 2013. *Id.*

²⁵⁵ CR/PR at Table C-1. The processors' U.S. shipments were 222,560 short tons in interim 2014, up from 176,275 short tons in interim 2013. *Id.*

²⁵⁶ CR/PR at Table C-1. End of period inventories of the mills were 9.1 percent of total shipments in interim 2014, down from 10.4 percent in interim 2013. *Id.*

²⁵⁷ CR/PR at Table C-1. Processors' end of period inventories were *** percent of total shipments in interim 2014, down from *** percent in interim 2013. *Id.*

²⁵⁸ CR/PR at Table C-1. The number of production workers, hours worked, and wages paid at mills were higher -- by 4.9 percent, 1.5 percent, and 17.2 percent respectively -- in interim 2014 than in interim 2013. *Id.*

²⁵⁹ CR/PR at Table C-1. The number of production workers, hours worked, and wages paid at processors were higher -- by 17.2 percent, 21.9 percent, and 16.1 percent respectively -- in interim 2014 than in interim 2013. *Id.*

²⁶⁰ CR/PR at Table C-1. The mills' net sales value was \$1.6 billion in interim 2014, up from \$1.5 billion in interim 2013. *Id.*

²⁶¹ CR/PR at Table C-1.

²⁶² CR/PR at Table C-1. The COGS/net sales ratio for mills was 89.3 percent in interim 2014, up from 86.0 percent in interim 2013. *Id.*

2012 and \$312 million in 2013.²⁶³ The mills' operating income ratio declined from 11.5 percent in 2011 to 9.8 percent in 2012 and 5.0 percent in 2013.²⁶⁴ The mills' capital expenditures declined from \$705.2 million in 2011 to \$632.8 million in 2012 and then \$370.7 million in 2013.²⁶⁵

Before discussing the effect of subject imports on the financial performance of processors, we emphasize that OCTG mills constitute a much larger part of the domestic industry than processors. For example, the value of U.S. mills' U.S. shipments in 2013 (\$5.8 billion) was more than 10 times that of U.S. processors (\$485 million).²⁶⁶

The effect of subject imports on the financial performance of processors was less discernible than that on mills. The processors' net sales value increased from \$333.4 million in 2011 to \$460.7 million in 2012 and \$493.4 million in 2013, for an overall increase of 48.0 percent.²⁶⁷ Although the net sales values for processors increased by 48.0 percent in the 2011-2013 period, the cost of goods sold or tolled ("COGST") increased by 52.5 percent.²⁶⁸ The COGST/net sales ratio for processors rose from 75.4 percent in 2011 to 79.7 percent in 2012 but then fell to 77.6 percent in 2013.²⁶⁹ The operating income of processors rose from \$43.0 million in 2011 to \$44.4 million in 2012 and to \$58.9 million in 2013.²⁷⁰ The processors' operating income ratio declined from 12.9 percent in 2011 to 9.6 percent in 2012, but then rose to 11.9 percent in 2013.²⁷¹ The processors' capital expenditures declined from \$79.0 million in 2011 to \$45.5 million in 2012 and \$44.3 million in 2013.²⁷²

Notwithstanding that the domestic industry was able to maintain and increase output and employment during a period of increasing demand, the significant and increasing volume of low-priced subject imports caused domestic producers to significantly lower their prices. As a result, the domestic industry's revenues did not increase commensurately with either output or costs, and the domestic industry exhibited significant declines in operating performance. In

²⁶³ CR/PR at Table C-1. The mills' operating income was \$47 million in interim 2014, down from \$87 million in interim 2013. *Id.*

²⁶⁴ CR/PR at Table C-1. The mills' operating income ratio was 2.9 percent in interim 2014, down from 6.0 percent in interim 2013. *Id.*

²⁶⁵ CR/PR at Table C-1. The mills' capital expenditures were \$41.2 million in interim 2014, down from \$86.7 million in interim 2013. *Id.*

²⁶⁶ CR/PR at Table C-1.

²⁶⁷ CR/PR at Table C-1. The processors' net sales value was \$129.5 million in interim 2014, up from \$113.9 million in interim 2013. *Id.*

²⁶⁸ CR/PR at Table C-1.

²⁶⁹ CR/PR at Table C-1. The COGST/net sales ratio for processors was 74.9 percent in interim 2014, down from 78.4 percent in interim 2013. *Id.*

²⁷⁰ CR/PR at Table C-1. The processors' operating income was \$19.5 million in interim 2014, up from \$13.7 million in interim 2013. *Id.*

²⁷¹ CR/PR at Table C-1. The processors' operating income ratio was 15.1 percent in interim 2014, up from 12.0 percent in interim 2013. *Id.*

²⁷² CR/PR at Table C-1. The processors' capital expenditures were \$5.1 million in interim 2014, down from \$11.7 million in interim 2013. *Id.*

light of the foregoing, we find that the cumulated subject imports had a significant adverse impact on the domestic industry.

We have considered whether there are other factors that may have had an adverse impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. Nonsubject imports²⁷³ had a declining presence in the U.S. market during most of the POI.²⁷⁴ Moreover, the pricing data collected by the Commission show that nonsubject imports undersold the domestic product less frequently than subject imports (and when they did so, at a lower average margin) and that prices of nonsubject imports were most frequently higher than prices of subject imports.²⁷⁵ The pricing data obtained for nonsubject imports (from 15 importers, involving imports from six such countries and from the nonsubject producer in Taiwan) show that these imports were priced lower than the domestic like product in 75 of 126 quarterly comparisons, with an average margin of underselling of *** percent.²⁷⁶ These nonsubject imports were priced higher than the domestic like product in 51 of 126 quarterly comparisons, with an average margin of overselling of *** percent.²⁷⁷ OCTG imported from subject sources was priced lower than OCTG imported from nonsubject sources in 260 of 361 possible comparisons.²⁷⁸ Because nonsubject imports were typically priced higher than subject imports, and were priced lower than the domestic like product less frequently than were subject imports, they do not explain the significant depression of domestic prices and consequent decline in the domestic industry's financial indicators over the POI.

Respondents argue that the domestic industry was injured by nonsubject imports brought into the U.S. market by U.S. producers from affiliated mills in nonsubject countries, because such nonsubject imports obtained by one domestic producer from a foreign affiliate injure other domestic producers.²⁷⁹ We find this argument unpersuasive. It is premised on the notion that an adverse impact on the domestic industry was manifested in declines in

²⁷³ For purposes of this section, "nonsubject imports" are those from sources not subject to these investigations.

²⁷⁴ Nonsubject imports' share of apparent U.S. consumption declined from *** percent in 2011 to *** percent in 2012 and *** percent in 2013. The share was *** percent in interim 2014, as compared to *** percent in interim 2013. See CR at Table G-9. As we found in Section IV above, subject imports from the Philippines, Taiwan, and Thailand are negligible for purposes of our analysis of material injury by reason of subject imports. Negligible imports cannot, by definition, be injurious.

²⁷⁵ Based on the evidence in these investigations, Vice Chairman Pinkert finds that price-competitive nonsubject imports were a significant factor in the U.S. market during the period of investigation. Regardless of whether OCTG is considered a commodity product, however, nonsubject imports would not have replaced the subject imports during the period, without benefit to the domestic industry, had the subject imports exited the market. As discussed in the text, OCTG imported from subject sources was priced at less than OCTG from nonsubject sources in 260 of 361 possible comparisons. CR/PR at Table G-19.

²⁷⁶ CR/PR at Table G-18.

²⁷⁷ CR/PR at Table G-18.

²⁷⁸ CR/PR at Table G-19.

²⁷⁹ *E.g.*, Hearing Tr. at 310-311 (McConnell).

production and shipments, which is neither what the record shows nor what we have found. Moreover, imports from nonsubject sources had a declining presence in the U.S. market during most of the POI, undersold the domestic product less frequently than subject imports, and were priced mostly higher than subject imports.

Respondents argue that the domestic industry's profitability was adversely impacted by the start-up operations of new domestic mills. They contend that declines in domestic industry operating profit are not correlated with subject import volume trends, given that the bulk of the subject import volume increase was from 2011 to 2012 and that most of the decline in profitability occurred in 2012 and 2013, when new domestic capacity was coming online. Domestic producers had strong incentives to ramp up production and shipments to "fill the mill," according to respondents.²⁸⁰ We are not persuaded that new domestic capacity explains the material injury experienced by the industry. As detailed above, the domestic industry's addition of new mill capacity was commensurate with rising demand for OCTG. Moreover, the bulk of the domestic industry's capacity expansions occurred in 2013, well after subject imports had caused significant depression of domestic prices in 2012. Even if additional supply from domestic producers added to competitive pressure in the market, it cannot explain the magnitude of the observed price declines in a growing market and in light of the significant volumes of lower-priced subject imports. We also reject the argument that the deterioration in the domestic industry's financial performance was attributable to start-up costs associated with new domestic production facilities.²⁸¹ The incremental costs of mills' new capacity were equivalent to only *** percent of total COGS in 2011, *** percent in 2012, and *** percent in 2013.²⁸² These cannot account for the sharp deterioration in the domestic industry's financial condition.

In sum, we find that the significant and increasing volume of subject imports, at prices which undersold the domestic like product and depressed domestic prices, adversely impacted the domestic industry, leading to significant declines in that industry's financial performance. We consequently determine that the domestic industry is materially injured by reason of cumulated subject imports from India, Korea, Turkey, Ukraine, and Vietnam.

VII. Critical Circumstances

A. Legal Standards and Party Arguments

In its final antidumping duty determinations concerning OCTG from Turkey and Vietnam²⁸³ and its final countervailing duty determinations concerning OCTG from India²⁸⁴ and

²⁸⁰ *E.g.*, Korean Respondent Group Prehearing Brief at 29-44 and ILJIN Prehearing Brief at 19-23.

²⁸¹ *E.g.*, Korean Respondent Group Prehearing Brief at 34-35.

²⁸² CR at VI-16, PR at VI-5.

²⁸³ In its antidumping duty investigation, Commerce determined that critical circumstances existed with regard to the Vietnam-wide entity, excluding SeAH Steel VINA Corp. *Certain Oil Country Tubular Goods from the Socialist Republic of Vietnam*, 79 Fed. Reg. 41971 (final determination of sales at less than fair value and final affirmative determination of critical circumstances) (July 18, 2014).

Turkey,²⁸⁵ Commerce found that critical circumstances exist with respect to certain subject producers/exporters. Because we have determined that the domestic industry is materially injured by reason of subject imports from, *inter alia*, India, Turkey, and Vietnam, we must further determine “whether the imports subject to the affirmative {Commerce critical circumstances} determination . . . are likely to undermine seriously the remedial effect of the antidumping {and/or countervailing duty} order{s} to be issued.”²⁸⁶

The SAA indicates that the Commission is to determine “whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order” and specifically “whether the surge in imports prior to the suspension of liquidation, rather than the failure to provide retroactive relief, is likely to seriously undermine the remedial effect of the order.”²⁸⁷ The legislative history for the critical circumstances provision indicates that the provision was designed “to deter exporters whose merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by {Commerce}.”²⁸⁸ An affirmative critical circumstances determination by the Commission, in conjunction with an affirmative determination of material injury by reason of subject imports, would normally result in the retroactive imposition of duties for those imports subject to the affirmative Commerce critical circumstances determination for a period 90 days prior to the suspension of liquidation.

The statute provides that, in making this determination, the Commission shall consider, among other factors it considers relevant,

- (I) the timing and the volume of the imports,
- (II) a rapid increase in inventories of the imports, and

(...Continued)

²⁸⁴ In its countervailing duty investigation, Commerce determined that critical circumstances existed with regard to OCTG from Jindal SAW and all other producers other than GVN Fuels Ltd. and its cross-owned producers, Maharashtra Seamless Ltd. and Jindal Pipes Ltd. *Certain Oil Country Tubular Goods from India*, 79 Fed. Reg. 41967 (final affirmative countervailing duty determination and partial final affirmative determination of critical circumstances) (July 18, 2014).

²⁸⁵ In its countervailing duty investigation, Commerce determined that critical circumstances existed with regard to all producers and exporters in Turkey. In its antidumping duty investigation, Commerce determined that critical circumstances existed with regard to all producers and exporters in Turkey other than Borusan and Yucel. *Certain Oil Country Tubular Goods from Turkey*, 79 Fed. Reg. 41964 (final affirmative countervailing duty determination and final affirmative critical circumstances determination) (July 18, 2014); *Certain Oil Country Tubular Goods from Turkey*, 79 Fed. Reg. 41961 (final determination of sales at less than fair value and affirmative final determination of critical circumstances) (July 18, 2014).

²⁸⁶ 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

²⁸⁷ SAA at 877.

²⁸⁸ *ICC Industries, Inc. v United States*, 812 F.2d 694, 700 (Fed. Cir. 1987), quoting H.R. Rep. No. 96-317 at 63 (1979), *aff'g* 632 F. Supp. 36 (Ct. Int'l Trade 1986). See 19 U.S.C. §§ 1671b(e)(2), 1673b(e)(2).

(III) any other circumstances indicating that the remedial effect of the {order} will be seriously undermined.²⁸⁹

In considering the timing and volume of subject imports, the Commission's practice is to consider import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which Commerce has made an affirmative critical circumstances determination.²⁹⁰

Consistent with Commission practice, in these investigations we have considered data for the six months prior to and including the month in which the petition was filed (July 2013) and data for the six months following that month.

B. Analysis

1. India

Maverick argues that according to Commerce, certain subject imports from India surged massively after the filing of the petition. It asserts that, without a finding of critical circumstances, these imports will seriously undermine the remedial effects of any future orders.²⁹¹

Jindal SAW characterizes the increase in imports from Jindal SAW as being "relatively normal" and consistent with the "demand of the purchasing cycles of its customers." Jindal SAW notes that its 2013 end-of-period ("EOP") inventories were significantly less than its 2012 end-of-period inventories. Jindal SAW also argues that there was no surge in its imports just before Commerce's preliminary antidumping duty determination.²⁹²

The monthly data for subject import volume from India (excluding the entities that were excluded from Commerce's affirmative critical circumstances determination, *i.e.*, GVN, Maharashtra, and Jindal Pipes Ltd.) for the six-month periods before and after the filing of the petition in July 2013 show only a minor increase in imports from India subject to Commerce's affirmative critical circumstances determination.²⁹³ These subject imports were *** short tons in the six months preceding the filing of the petition and *** short tons in the six months following the filing of the petition.²⁹⁴ EOP inventories of imports from India subject to Commerce's affirmative critical circumstances determination were *** short tons in 2012 and *** short tons in 2013.²⁹⁵ Notwithstanding the increase in these inventories from 2012 to

²⁸⁹ 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

²⁹⁰ See *Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-43, 731-TA-1095-97, USITC Pub. 3884 at 46-48 (Sept. 2006); *Carbazole Violet Pigment from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060-61 (Final), USITC Pub. 3744 at 26 (Dec. 2004); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 at 20-22 (Aug. 2003).

²⁹¹ Maverick Posthearing Brief at Exh. 1, 50-52.

²⁹² Jindal Prehearing Brief at 43-45.

²⁹³ The periods considered are January-June 2013 and July-December 2013. CR/PR at Table IV-4.

²⁹⁴ CR/PR at Table IV-4.

²⁹⁵ CR/PR at Table IV-4.

2013, the quantity of inventories in 2013 subject to Commerce's affirmative critical circumstances determination represents only a small percentage of the *** short tons of subject imports that entered the United States in 2013 that were cumulated for purposes of our material injury determination and therefore cannot seriously undermine the effectiveness of the order.²⁹⁶

Taken as a whole, the data on record do not show a sudden and significant increase in imports from India subject to Commerce's affirmative critical circumstances determination subsequent to the filing of the petition that would seriously undermine the remedial effect of the countervailing duty order to be issued on OCTG from India. We therefore make a negative critical circumstances determination with regard to subject imports from India.

2. Turkey

Maverick argues that according to Commerce, subject imports from Turkey surged massively after the filing of the petition. It asserts that, without a finding of critical circumstances, subject imports from Turkey will seriously undermine the remedial effects of future orders.²⁹⁷

With regard to the countervailing duty investigation, in which Commerce made an affirmative critical circumstances determination with respect to all subject imports from Turkey, imports from Turkey were 59,173 short tons in the six-month period preceding the filing of the petition and 74,599 short tons in the six-month period following the filing of the petition.²⁹⁸ We do not find that this 26 percent increase, for an absolute volume of only 15,426 short tons, was massive or sufficient to seriously undermine the remedial effect of the CVD order. Importers' EOP inventories declined from *** short tons in 2012 to *** short tons in 2013.²⁹⁹

Taken as a whole, the data on record do not show a sudden and significant increase in subject imports subsequent to the filing of the petition that would seriously undermine the remedial effect of the CVD order to be issued on OCTG from Turkey. We therefore make a negative critical circumstances determination with regard to subsidized imports from Turkey subject to Commerce's affirmative critical circumstances determination.

Commerce's affirmative critical circumstances determination in the antidumping duty investigation concerning Turkey excluded imports from Borusan and Yucel. The relevant imports were *** short tons in the six month period preceding the filing of the petition and *** short tons in the six month period following the filing of the petition.³⁰⁰ Although the percentage increase in such imports between the pre- and post-petition periods was *** percentage points, the absolute volume was only *** short tons. Importers' EOP inventories of OCTG from Turkey, excluding Borusan and Yucel, were minimal -- *** short tons in 2012 and

²⁹⁶ See CR/PR at Table G-8.

²⁹⁷ Maverick Posthearing Brief at Exh. 1, 50-52.

²⁹⁸ CR/PR at Table IV-5.

²⁹⁹ CR/PR at Table IV-5.

³⁰⁰ CR/PR at Table IV-6.

2013.³⁰¹ Therefore, we find that such subject imports cannot seriously undermine the effectiveness of the order.

Taken as a whole, the data on record do not show a sudden and significant increase in imports from Turkey subject to Commerce’s affirmative critical circumstances determination subsequent to the filing of the petition that would seriously undermine the remedial effect of the antidumping duty order to be issued on OCTG from Turkey. We therefore make a negative critical circumstances determination with regard to subject imports from Turkey.

3. Vietnam

Maverick argues that according to Commerce, subject imports from Vietnam surged massively after the filing of the petition. It asserts that, without a finding of critical circumstances, subject imports from Vietnam will seriously undermine the remedial effects of future orders.³⁰²

C&F International and Nexgen Metals argue that subject imports from Vietnam increased only modestly from the pre-petition period to the post-petition period and that this small increase does not support the claim that there was a massive surge of subject imports after the petition was filed or that the remedial effect of the order would be “seriously undermined” unless critical circumstances are found. They also argue that there was no increase in inventories of subject imports from Vietnam.³⁰³

Subject import volume from Vietnam (excluding SeAH, which was excluded from Commerce’s affirmative critical circumstances determination) was *** short tons in the six-month period preceding the filing of the petition and *** short tons in the six-month period following the filing of the petition.³⁰⁴ The increase was only *** percent, or *** short tons. EOP inventories of imports from Vietnam subject to Commerce’s affirmative critical circumstances determination increased by only *** short tons, from *** short tons in 2012 to *** short tons in 2013.³⁰⁵

Taken as a whole, the data on record do not show a sudden and significant increase in imports from Vietnam subject to Commerce’s affirmative critical circumstances determination subsequent to the filing of the petition that would seriously undermine the remedial effect of the antidumping duty order to be issued on OCTG from Vietnam. We therefore make a negative critical circumstances determination with regard to subject imports from Vietnam.³⁰⁶

³⁰¹ CR/PR at Table IV-6.

³⁰² Maverick Posthearing Brief at Exh. 1, 50-52.

³⁰³ C&F International Prehearing Brief at 3-5; Nexgen Metals Posthearing Brief at 2-5.

³⁰⁴ CR/PR at Table IV-7.

³⁰⁵ CR/PR at Table IV-7.

³⁰⁶ Chairman Broadbent does not join the remainder of this opinion.

VIII. Threat of Material Injury by Reason of Subject Imports

As discussed earlier, we determined that subject imports from Taiwan would imminently account for more than three percent of all subject merchandise imported into the United States. Therefore we proceed to determine whether the U.S. industry is threatened with material injury by reason of subject imports from Taiwan.

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether “further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted.”³⁰⁷ The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.³⁰⁸ In making our determination, we consider all statutory threat factors that are relevant to these investigations.³⁰⁹

³⁰⁷ 19 U.S.C. § 1677(7)(F)(ii).

³⁰⁸ 19 U.S.C. § 1677(7)(F)(ii).

³⁰⁹ These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) 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,

...

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(Continued...)

B. Cumulation for Threat

Under Section 771(7)(H) of the Tariff Act, the Commission may “to the extent practicable” cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.³¹⁰ Accordingly, for purposes of our analysis of threat of material injury by reason of subject imports from Taiwan, subject imports from Taiwan are eligible for cumulation with subject imports from India, Korea, Ukraine, Turkey, and Vietnam.³¹¹

Petitioners contend that the Commission should cumulate all subject imports for purposes of the threat analysis.³¹² Although respondents from India, Turkey, and Ukraine respectively argued that the Commission should not cumulate imports from any other subject country in making any threat determination concerning subject imports from those countries, no respondent specifically directed arguments concerning cumulation for a threat determination concerning subject imports from Taiwan.

We found in Section V above that there is a reasonable overlap of competition between subject imports from India, Korea, Turkey, Ukraine, and Vietnam and between imports from each of the subject countries and the domestic like product. The considerations discussed above concerning reasonable overlap of competition apply equally to subject imports from Taiwan.³¹³

The record does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from India, Korea, Taiwan, Turkey, Vietnam, and Ukraine. We recognize that some potential differences exist between the industries in these subject countries and, after examining these differences, find that they are not significant enough to warrant not cumulating subject imports from Taiwan with those from other subject countries eligible for cumulation. For these reasons, we conclude that it is appropriate to

(...Continued)

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to this investigation.

³¹⁰ 19 U.S.C. § 1677(7)(H).

³¹¹ As stated in Section V above, the investigation from OCTG from Saudi Arabia was terminated, so these imports are not eligible for cumulation. Subject imports from the Philippines and Thailand are also not eligible for cumulation in light of our negligibility findings in Section IV. above.

³¹² U.S. Steel Prehearing Brief, Ex. 3 at 6; Other Petitioners’ Posthearing Brief at 13, 27; Maverick Posthearing Brief at 15.

³¹³ See generally, e.g., CR/PR at Tables II-1-2, II-10, IV-12, IV-13, IV-14.

exercise our discretion to cumulate subject imports from India, Korea, Taiwan, Turkey, Ukraine, and Vietnam for the purposes of our threat analysis.

C. Analysis

1. Likely Volume

We found in Section VI.C. above that the absolute volume of cumulated subject imports from India, Korea, Turkey, Ukraine, and Vietnam and the increase in the volume of these imports over the POI is significant in absolute terms. Including subject imports from Taiwan does not change these findings. The volume of cumulated subject imports from India, Korea, Taiwan, Turkey, Ukraine, and Vietnam increased from *** short tons in 2011 to *** short tons in 2012 and remained at *** short tons in 2013, for an overall increase of *** percent.³¹⁴ This increase in volume was far greater than the *** percent increase in apparent U.S. consumption over the same period.³¹⁵ Subject imports captured an increasing share of the U.S. market over the POI, from *** percent in 2011 to *** percent in 2013.³¹⁶

The significant increase in cumulated subject import volume observed during the POI is likely to persist in the imminent future. The subject industries increased their capacity and production during the POI, and these increases will likely continue. Subject producers' cumulated capacity increased from *** short tons in 2011 to *** short tons in 2012 and *** short tons in 2013.³¹⁷ Subject producers produced *** short tons of OCTG in 2011, *** short tons in 2012, and *** short tons in 2013.³¹⁸ Subject producers' capacity utilization fluctuated within a fairly narrow range, increasing from *** percent in 2011 to *** percent in 2012, and then decreasing to *** percent in 2013.³¹⁹ These data indicate that there is substantial unused capacity in the subject industries.

Subject producers are export-oriented and demonstrated a substantial and increasing focus on the U.S. market during the POI. The record shows that virtually all of the additional production of OCTG produced in the subject countries over the POI was absorbed by the U.S. market. Shipments of cumulated subject merchandise to the United States increased from *** short tons in 2011 to *** short tons in 2012 and *** short tons in 2013.³²⁰ U.S. shipments of cumulated subject imports as a share of total shipments also increased over the POI, from ***

³¹⁴ Derived from CR/PR Table C-1. Findings in the remainder of this section on cumulated subject imports refer to imports from India, Korea, Taiwan, Turkey, Ukraine, and Vietnam.

³¹⁵ Derived from CR/PR Table C-1.

³¹⁶ Derived from CR/PR Table C-1.

³¹⁷ Derived from CR/PR at Tables VII-1a, VII-3, VII-9, VII-13, VII-15, and VII-17. Subject capacity was *** short tons in interim 2013 and *** short tons in interim 2014. *Id.*

³¹⁸ CR/PR at Table Supp-10. Production was *** short tons in interim 2013 and *** short tons in interim 2014. *Id.*

³¹⁹ CR/PR at Table Supp-10. Capacity utilization was *** percent in interim 2013 and *** percent in interim 2014. *Id.*

³²⁰ CR/PR at Table Supp-10. Shipments of cumulated subject merchandise to the United States were *** short tons in interim 2013 and *** short tons in interim 2014. *Id.*

percent in 2011 to *** percent in 2013. Meanwhile, shipments of subject merchandise to third-country markets decreased from *** percent in 2011 to *** percent in 2013.^{321 322}

In light of the increases in subject import volume and market penetration observed during the POI, the growing capacity and substantial excess capacity of the subject industries, and the subject industries' focus on supplying export markets generally and the United States in particular, we find that the significant increase in cumulated subject import volume that occurred during the POI will likely continue in the imminent future.

³²¹ CR/PR at Table Supp-10.

³²² Inventories of cumulated subject merchandise also increased over the POI, rising from *** short tons in 2011 to *** short tons in 2012, then decreasing slightly to *** short tons in 2013, for an overall increase of *** percent. Derived from CR/PR Table C-1.

OCTG producers in the cumulated subject countries also produce other welded tubular products on the same equipment that they use to produce the subject merchandise. CR/PR at Section VII. Some, but not all subject producers indicated that there were constraints on their ability to shift production from other tubular products to OCTG. CR/PR at Section VII, n.13, 17, 23, 69, 81, 115, and 130. Given the substantial excess capacity in the subject countries, while we acknowledge that there is some potential for product shifting, we do not place reliance on it for our analysis of likely subject import volume.

We also observe that the EU and Russia have imposed antidumping duties on imports of certain OCTG from Ukraine. Furthermore, Canada recently initiated a preliminary injury inquiry on allegedly dumped and/or subsidized imports of certain OCTG from Taiwan, India, Indonesia, the Philippines, Korea, Thailand, Turkey, Ukraine, and Vietnam. CR at VII-62, PR at VII-25.

We have also considered the nature of the countervailable subsidies. In its final determinations, Commerce found that 11 programs in India and ten programs in Turkey were countervailable. CR at I-10-11, PR at I-8-9. Commerce's Issues and Decision Memorandum in the countervailing duty investigation on OCTG from India characterizes four programs as "countervailable export subsidies." Those are the Advance License/Advance Authorization Program, the Export Promotion Capital Goods Program, Pre-Shipment and Post-Shipment Export Financing, and the State Government of Maharashtra's Sales Tax Program. *Memorandum from Christian Marsh to Ronald K. Lorentzen: Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from India* at 18, 23, 25, 29 (July 10, 2014). Commerce's Issues and Decision Memorandum in the countervailing duty investigation on OCTG from Turkey indicates that three of the programs it found to be countervailable specifically concerned export activities. These include the Deductions from Taxable Income for Export Revenue, the Rediscount Program (which Commerce states is "designed to provide financial support to Turkish exporters, manufacturer-exporters and manufacturers supplying exporters" and "is contingent upon an export commitment") and the Pre-Export Credit Program (which Commerce described in the same manner as it described the Rediscount Program). *Memorandum from Christian Marsh to Ronald K. Lorentzen: Issues and Decisions Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey* at 13-15 (July 10, 2014). Commerce did not make any express findings that any of the programs discussed above were the types of programs described in Articles 3 or 6.1 of the WTO Subsidies Agreement.

2. Likely Price Effects

As explained in Section VI. D. above, the domestic like product and subject imports are moderately to highly substitutable, and price is an important consideration in purchasing decisions. We found significant underselling by subject imports, which caused significant price depression of the domestic like product. The inclusion of subject imports from Taiwan does not change the nature of our underselling findings.³²³

Significant underselling of the domestic like product by subject imports will likely continue in the immediate future absent the issuance of any orders. Cumulated subject imports from India, Korea, Taiwan, Turkey, Ukraine, and Vietnam undersold the domestic like product in 195 out of 225 quarterly comparisons, with underselling margins ranging from *** percent to *** percent. The significant and increasing volumes of subject imports that will likely enter the U.S. market in the imminent future will likely continue predominantly to undersell the domestic like product at significant rates, as they did during the POI. The likely low prices of the subject imports, in turn, are likely to place significant downward pressure on domestic prices in the imminent future, as they did during the POI. Accordingly, we find that subject imports are likely to enter the U.S. market in the imminent future at prices that are likely to have significant price-depressing effects and are likely to increase demand for further imports.

3. Likely Impact³²⁴

We found in Section VI.E. above that the domestic industry's financial performance indicators declined over the POI due to the presence of significant volumes of cumulated subject imports which undersold the domestic like product at significant margins. We have also found that cumulated subject imports, including subject imports from Taiwan, are likely to continue to enter the U.S. market in increasing and significant volumes and engage in significant underselling of the domestic like product in the imminent future. We conclude that cumulated subject imports will likely have the same type of adverse impact on the domestic industry in the imminent future as they did during the POI. The significant volumes of low-priced subject imports will likely continue to cause significant price depression, which will lead to adverse effects on the domestic industry's revenues and financial performance.

We have already considered in Section VI.E. above other factors, including nonsubject imports, and concluded that we have not attributed any likely injury from nonsubject imports

³²³ Pricing data collected by the Commission accounted for *** percent of subject imports from Taiwan. CR at V-16, PR at V-10. Sales of subject imports from Taiwan were reported for 3 of the 6 pricing products, with the highest volume of subject merchandise from Taiwan concentrated in Product 5 (welded J-55 casing, 8 5/8" OD, threaded and coupled). CR/PR at Table V-10. Subject imports from Taiwan undersold the domestic like product in 30 out of 36 quarterly comparisons, with underselling margins ranging from *** percent to *** percent. CR/PR at Table V-14.

³²⁴ In its antidumping duty investigation concerning imports from Taiwan, Commerce found that imports from Taiwan were being sold at LTFV at the following margins: 2.52 percent for Tension Steel Industries, Co. and 2.52 percent for the all others rate. CR/PR at Table I-3.

to subject imports. We accordingly find that further subject imports are imminent and that material injury by reason of subject imports would occur unless an antidumping duty order is issued on subject imports from Taiwan. Accordingly, we have made an affirmative determination of threat of material injury in the investigation of OCTG from Taiwan.³²⁵

IX. Conclusion

For the forgoing reasons, we conclude that a domestic industry in the United States is materially injured by reason of imports of OCTG from India, Korea, Turkey, Ukraine, and Vietnam, that critical circumstances do not exist with respect to subject imports from India, Turkey, and Vietnam covered by Commerce's affirmative critical circumstances determinations, and that a domestic industry in the United States is threatened with material injury by reason of imports of OCTG from Taiwan.³²⁶ We also conclude that imports of OCTG from the Philippines and Thailand are negligible.

³²⁵ We further determine, pursuant to 19 U.S.C. §1671d(b)(4)(B), that we would have not found material injury but for the suspension of liquidation of subject imports because we were unable to find material injury by reason of subject imports from Taiwan because we found they were currently negligible.

³²⁶ Chairman Broadbent dissents from our findings with respect to OCTG from Taiwan.

Separate and Dissenting Views of Chairman Meredith M. Broadbent on Negligibility

Based on the record in these investigations, I find that an industry in the United States is materially injured by reason of imports of certain oil country tubular goods (“OCTG”) from India, Korea, Turkey, Ukraine, and Vietnam. I also find that imports of OCTG from the Philippines, Taiwan, and Thailand are negligible.

In reaching these determinations, I join and adopt all sections of the Views of the Commission, with the exception of section IV.C as it pertains to the Commission’s analysis of the negligibility of subject imports from Taiwan for purposes of threat of material injury, and section VIII, which concerns threat of material injury by reason of subject imports. I write separately with respect to the negligibility of subject imports from Taiwan for purposes of threat of material injury.

I. Negligible Imports from Taiwan for Purposes of Threat of Material Injury

I determine that there is not a potential that subject imports from Taiwan will imminently exceed the 3 percent negligibility threshold. As I discuss in more detail below, I find that the subject producers in Taiwan have not exhibited a pattern of substantial growth in production nor have the subject imports from Taiwan increased at a rate that it is likely that they will surpass 3 percent of total imports in the imminent future. In addition, I determine that there is not a potential that the combined subject imports from the Philippines, Taiwan, and Thailand will imminently exceed the 7 percent aggregate negligibility threshold.

In these investigations, the Commission received questionnaire responses from all four subject producers of OCTG in Taiwan.¹ *** reported investing in a new OCTG-producing mill during the POI, with the ***.² As a result of this new investment, the industry in Taiwan’s capacity increased from *** short tons in 2011 to *** short tons in 2012, where it remained in 2013.³ Despite this sizable increase in the industry’s capacity, the industry’s production only increased from *** short tons in 2011 to *** short tons in 2012, and then decreased to *** short tons in 2013.⁴ While the industry reported a projected increase in production of *** short tons between 2013 and 2014, production during the first quarter of 2014 was in fact ***

¹ CR at VII-29-30; PR at VII-13. The four responding subject producers in Taiwan are Far East Machinery Co. Ltd. (“Far East Machinery”), Kao Hsing Chang Iron & Steel Corp. (“Kao Hsing”), Shin Yang Steel Co., Ltd. (“Shin Yang”), and Tension Steel Industries Co., Ltd. (“Tension Steel”). *Id.* In addition, Commerce calculated a final weighted-average margin of 0.00 percent for a fifth producer in Taiwan, Chung Hung Steel Corp. (“Chung Hung”), and that producer is not therefore a subject producer. CR at VII-30 n. 71; PR at VII-13 n. 71.

² CR at VII-30; PR at VII-13; *** Foreign Producer Questionnaire at II-10.

³ CR/PR at Table VII-9.

⁴ *Id.*

short tons lower than during the first quarter of 2013.⁵ Given these stable trends in the industry's production and shipments since the inception of new capacity in 2012, I have concluded that it is not likely that the subject industry in Taiwan will substantially increase its overall level of shipments in the imminent future. Accordingly, since exports to the United States made up nearly *** percent of the Taiwan's total shipments in 2013,⁶ I find that it is also unlikely that Taiwan will substantially increase its exports to the United States in 2014.⁷

To estimate the share of total imports that subject imports from Taiwan would account for in the imminent future, I assume that subject imports from Taiwan would continue to increase at the *** percent rate of growth that occurred between 2012 and 2013, thereby rising to *** short tons in 2014.⁸ Using this amount and the estimated range of total imports in 2014 described in the Views of the Commission,⁹ I estimate that subject imports from Taiwan would fall in the range between *** percent and *** percent of total imports in 2014.¹⁰ On the basis of these estimates, I determine that there is not a potential that subject imports from Taiwan will imminently exceed 3 percent of total imports.¹¹

⁵ *Id.* Similarly, while the industry reported a projected increase in shipments of *** short tons between 2013 and 2014, total shipments during the first quarter of 2014 were *** short tons lower than during the first quarter of 2013.

⁶ CR/PR at Table VII-9.

⁷ I note that the subject producers in Taiwan projected production of *** short tons in 2014, with exports to the United States of *** short tons in that year. This projected production would be *** short tons higher than in 2013, with exports to the United States being *** short tons higher. CR/PR at Table VII-9. The industry's projected increase in production, however, is entirely driven by the projections of ***, which projected that it would increase production to *** short tons in 2014, reaching a capacity utilization rate of ***. However, *** capacity utilization rate peaked at *** percent in 2013, even though it had the same capacity to produce OCTG in both 2012 and 2013. *** does not project any increase in capacity in 2014, and its production was *** short tons in the first quarter of 2014, compared to *** short tons in the first quarter of 2013. CR/PR at Table VII-9; *** Foreign Producer Questionnaire at II-10. Because of the sustained *** of *** unchanged capacity throughout the entire period of investigation, I do not find the production and export projections of *** to be indicative of future increased exports from Taiwan to the United States.

⁸ CR/PR at Table C-1. I note that this rate of growth is a high estimate, given that a volume of U.S. subject imports from Taiwan that totaled *** short tons would surpass the highest volume of total exports from Taiwan and total production from Taiwan in any year during the POI. As stated above, I do not find it likely that Taiwan will substantially increase its production and total shipments in the imminent future.

⁹ In the Views of the Commission, the Commission estimated that total imports in 2014 would fall in a range between *** short tons and *** short tons. See Views of the Commission at section IV.C.

¹⁰ These estimates were calculated as follows, using the methodology described in footnote 91 of the Views of the Commission: ***.

¹¹ I note that in the 12 months before the filing of the petitions in these investigations (July 2012 through June 2013), subject imports from Taiwan only reached or exceeded 3 percent of total U.S. imports in *** months, and at no time were these higher levels sustained for more than *** months at a time. CR/PR at Table G-3. This trend reinforces my conclusion that subject imports from Taiwan will not exceed 3 percent of total imports for any sustained period of time in the imminent future.

Aggregate Analysis. Consistent with the discussion above and my findings that imports from the Philippines and Thailand are not likely to exceed the 3 percent negligibility threshold in the imminent future, I also determine there is not a potential that subject imports from the Philippines, Taiwan, and Thailand will imminently exceed the 7 percent aggregate negligibility threshold. In reaching this conclusion, I added together my estimated shares of total U.S. imports for each of the three subject sources in the imminent future. These shares range between *** and *** percent for the Philippines, between *** and *** percent for Taiwan, and between *** and *** percent for Thailand.¹² Summing these ranges, I find that the aggregate level of the subject imports from these three sources will be between *** and *** percent in the imminent future. Thus, I find that there is not a potential that subject imports from the Philippines, Taiwan, and Thailand will imminently exceed 7 percent of total imports.

Conclusion. For the foregoing reasons, I determine that subject imports from the Philippines, Taiwan, and Thailand are negligible for purposes of both my present material injury analysis and my threat of material injury analysis.

¹² See Views of the Commission at section IV.C.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by United States Steel Corporation (“U.S. Steel”), Pittsburgh, PA; Maverick Tube Corporation (“Maverick”), Houston, TX; Boomerang Tube LLC (“Boomerang”), Chesterfield, MO; EnergeX, a division of JMC Steel Group (“EnergeX”), Chicago, IL; Northwest Pipe Company (“Northwest”), Vancouver, WA; Tejas Tubular Products Inc. (“Tejas”), Houston, TX; TMK IPSCO, Houston, TX; Vallourec Star (“Vallourec”), L.P., Houston, TX; and Welded Tube USA (“Welded Tube”), Inc.; Lackawanna, NY, on July 2, 2013, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of certain oil country tubular goods (“OCTG”)¹ from India and Turkey, and less-than-fair-value (“LTFV”) imports of OCTG from India, Korea, Philippines, Saudi Arabia,² Taiwan, Thailand, Turkey, Ukraine, and Vietnam. The following tabulation provides information relating to the background of these investigations.^{3 4}

¹ See the section entitled “The Subject Merchandise” in *Part I* of this report for a complete description of the merchandise subject to these investigations.

² Maverick and Vallourec took no position with regard to the petition for the imposition of antidumping duties on OCTG from Saudi Arabia. On August 11, 2014, after correcting ministerial errors in its original final determination of sales at less than fair value with respect to OCTG from Saudi Arabia, Commerce terminated that investigation. DOC, ITA, *Amended Final Determination and Termination of the Investigation of Sales at Less Than Fair Value: Certain Oil Country Tubular Goods From Saudi Arabia*, Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, August 11, 2014. The Commission consequently terminated its investigation regarding Saudi Arabia. The report presented herein maintains references to Saudi Arabia. Appendix G presents key tables excluding Saudi Arabia from subject merchandise.

³ Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

⁴ Appendix B presents the hearing witness list.

Effective date	Action
July 2, 2013	Petition filed with Commerce and the Commission; institution of Commission's investigations (78 FR 41421, July 10, 2013)
July 29, 2013	Commerce's notice of initiation of countervailing duty and antidumping duty investigations (78 FR 45502 and 45505, July 29, 2013)
August 16, 2013	Commission's preliminary determination (78 FR 52213, August 22, 2103)
December 23, 2013	Commerce's preliminary determinations: India CVD (78 FR 77421, December 23, 2013) and Turkey CVD (78 FR 77420, December 23, 2013)
February 25, 2014	Commerce's preliminary determinations: India LTFV (79 FR 10493, February 25, 2014), Korea LTFV (79 FR 10480, February 25, 2014), Philippines LTFV (79 FR 10491, February 25, 2014); Saudi Arabia LTFV (79 FR 10489, February 25, 2014), Taiwan (amended) LTFV (79 FR 18667, April 3, 2104), Thailand LTFV (79 FR 10487, February 25, 2014), Turkey LTFV (79 FR 10484, February 25, 2014), Ukraine LTFV (79 FR 10482, February 25, 2014), and Vietnam LTFV (79 FR 10478, February 25, 2014); Scheduling of final phase of Commission's investigations (78 FR 19122, April 7, 2014)
July 10, 2014	Commerce's suspension of Ukraine antidumping investigation (79 FR 41959, July 18, 2014)
July 15, 2014	Commission's hearing
July 18, 2014	Commerce's final determinations: India CVD (79 FR 41959, July 18, 2014); Turkey CVD (79 FR 41964, July 18, 2014); India LTFV (79 FR 41981, July 18, 2014), Korea LTFV (79 FR 41983, July 18, 2014), Philippines LTFV (79 FR 41976, July 18, 2014); Saudi Arabia LTFV (79 FR 41986, July 18, 2014), Taiwan LTFV (79 FR 41979, July 18, 2014), Thailand LTFV (79 FR 41978, July 18, 2014), Turkey LTFV (79 FR 41971, July 18, 2014), Ukraine LTFV (79 FR 41969, July 18, 2014), and Vietnam LTFV (79 FR 41973, July 18, 2014)
August 22, 2014	Commission's vote
September 2, 2014	Commission's determinations
September 9, 2014	Commission's views

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.

. . .

In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . . (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

. . .

In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to . . . (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

Organization of report

Part I of this report presents information on the subject merchandise, subsidy/dumping margins, and domestic like product. *Part II* of this report presents information on conditions of

competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Parts IV* and *V* present the volume of subject imports and pricing of domestic and imported products, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

MARKET SUMMARY

OCTG generally is used in oil and gas wells, and consists primarily of casing and tubing. The leading U.S. mills producing OCTG are U.S. Steel and TMK IPSCO, both of which produce OCTG in multiple U.S. facilities and manufacture both seamless and welded OCTG. Several independent processors, led by Texas Steel Conversion and Tubular Services, provide additional heat treating capabilities. The leading producers of OCTG in subject countries include Maharashtra of India ("Maharashtra"), Hyundai HYSCO and AJU Besteel of Korea, HLD Clark of the Philippines, Jubail Energy Services Company ("JESCO") of Saudi Arabia, Tension Steel Industries ("Tension Steel") of Taiwan, Boly Pipe of Thailand, Borusan of Turkey, Interpipe of Ukraine, and SeAH Steel Vina of Vietnam. Leading producers of OCTG in nonsubject countries include the following: Tenaris in Argentina; Tenaris, Evraz, and Vallourec in Canada; Vallourec and Benteler Steel/Tube in Germany; Nippon Steel Sumitomo Metals (NSSM), JFE Steel, Tenaris NKK Tubes, and Maruichi Steel Tube in Japan; and Tenaris TAMSA in Mexico. The leading U.S. importers of OCTG from subject countries are ***. Leading importers of OCTG from nonsubject countries (primarily Argentina, Canada, Germany, Japan, and Mexico) include ***. U.S. purchasers of OCTG include distributors - which typically purchase directly from U.S. mills and U.S. importers - as well as production and exploration companies that purchase from the distributors.

Apparent U.S. consumption of OCTG totaled approximately 7.0 million short tons (\$10.1 billion) in 2013. Currently, 18 firms are known to produce OCTG in the United States, all but one of which provided usable data to the Commission. U.S. mills' U.S. shipments of OCTG totaled 3.7 million short tons (\$5.8 billion) in 2013, and accounted for 53.5 percent of apparent U.S. consumption by quantity and 57.8 percent by value (60.4 percent with the inclusion of revenue generated by U.S. processors). U.S. imports from subject sources totaled *** short tons (***) in 2013 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** short tons (\$****) in 2013 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of 17 mills and processors that accounted for the vast majority of U.S. production of OCTG during 2013 (including both pipe forming and heat treatment). U.S. imports are based on official Commerce

statistics except as noted. Additional information regarding nonsubject price data appears in appendix E.

PREVIOUS AND RELATED INVESTIGATIONS

Antidumping and countervailing duty investigations

OCTG has been the subject of several Commission investigations. Table I-1 presents a listing of these investigations.

Table I-1

OCTG: Previous and related investigations, since 1984

Original investigation				Commission reviews		Current status
Date	Number	Country	Outcome	Dates ¹	Outcomes	
1984	701-TA-215	Brazil	Affirmative	-	-	ITA revoked 8/21/85
1984	701-TA-216	Korea	Negative	-	-	-
1984	701-TA-217	Spain	Affirmative	-	-	ITA revoked 7/31/85
1984	731-TA-191	Argentina	Negative	-	-	-
1984	731-TA-192	Brazil	Affirmative ²	-	-	Petition withdrawn
1984	731-TA-193	Korea	Affirmative ²	-	-	Petition withdrawn
1984	731-TA-194	Mexico	Affirmative ²	-	-	Petition withdrawn
1984	731-TA-195	Spain	Affirmative	-	-	ITA revoked 6/30/85
1985	701-TA-240	Austria	Affirmative ²	-	-	Petition withdrawn
1985	701-TA-241	Venezuela	Affirmative ²	-	-	Petition withdrawn
1985	701-TA-255	Canada	Affirmative	-	-	ITA revoked 7/10/91
1985	701-TA-256	Taiwan	Negative	-	-	-
1985	731-TA-249	Austria	Affirmative ²	-	-	Petition withdrawn
1985	731-TA-251	Venezuela	Affirmative ²	-	-	Petition withdrawn
1985	731-TA-275	Argentina	Affirmative ²	-	-	Terminated
1985	731-TA-276	Canada	Affirmative	1999 / -	Negative / -	Revoked
1985	731-TA-277	Taiwan	Affirmative	1999 / -	Negative / -	Revoked
1986	701-TA-271	Israel	Affirmative	-	-	ITA revoked 3/1/93
1986	731-TA-318	Israel	Affirmative	-	-	ITA revoked 7/27/99

Table continued on next page.

Table I-1--Continued

OCTG: Previous and related investigations, since 1984

Original investigation				Commission reviews		Current status
Date	Number	Country	Outcome	Dates ¹	Outcomes	
1995	701-TA-363	Austria	Negative	-	-	-
1995	701-TA-364	Italy	Affirmative	2001 / -	Affirmative / -	ITA revoked 12/26/06
1995	731-TA-711	Argentina	Affirmative	2001 / 2006	Affirmative/Negative	Revoked
1995	731-TA-712	Austria	Negative	-	-	-
1995	731-TA-713	Italy	Affirmative	2001 / 2006	Affirmative/Negative	Revoked
1995	731-TA-714	Japan	Affirmative	2001 / 2006	Affirmative/Negative	Revoked
1995	731-TA-715	Korea	Affirmative	2001 / 2006	Affirmative/Negative	Revoked
1995	731-TA-716	Mexico	Affirmative	2001 / 2006	Affirmative/Negative	Revoked
1995	731-TA-717	Spain	Negative	-	-	-
2002	701-TA-428	Austria	Negative ²	-	-	-
2002	731-TA-992	Austria	Negative ²	-	-	-
2002	731-TA-993	Brazil	Negative ²	-	-	-
2002	731-TA-994	China	Negative ²	-	-	-
2002	731-TA-995	Colombia	(³)	-	-	-
2002	731-TA-996	France	Negative ²	-	-	-
2002	731-TA-997	Germany	Negative ²	-	-	-
2002	731-TA-998	India	Negative ²	-	-	-
2002	731-TA-999	Indonesia	Negative ²	-	-	-
2002	731-TA-1000	Romania	Negative ²	-	-	-
2002	731-TA-1001	South Africa	Negative ²	-	-	-
2002	731-TA-1002	Spain	Negative ²	-	-	-
2002	731-TA-1003	Turkey	Negative ²	-	-	-
2002	731-TA-1004	Ukraine	Negative ²	-	-	-
2002	731-TA-1005	Venezuela	Negative ²	-	-	-
2009	701-TA-463	China	Affirmative	-	-	Order in place
2009	731-TA-1159	China	Affirmative	-	-	Order in place

¹ "Date" or "Dates" refers to the year in which the investigation, first review, or second review was instituted by the Commission.

² Preliminary determination.

³ Following the withdrawal of the petition on Colombia and Commerce's decision not to institute an investigation on OCTG from that country, the Commission discontinued its investigation No. 731-TA-995 (OCTG from Colombia).

Source: Compiled from Commission determinations published in the Federal Register.

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 1974⁵ to determine whether certain steel products, including seamless and welded OCTG,⁶ 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.⁷ 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 1974.⁸ 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-201-73.⁹ On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission made a negative determination with respect to OCTG.¹⁰ The Commission also made a negative determination with respect to seamless tubular products other than OCTG.¹¹

⁵ 19 U.S.C. § 2252.

⁶ Seamless and welded casing and tubing, as well as seamless drill pipe, were found to be a single “like or directly competitive” product by Chairman Stephen Koplan, Vice Chairman Deanna Tanner Okun, and Commissioners Marcia E. Miller and Jennifer A. Hillman, while Commissioners Lynn M. Bragg and Dennis M. Devaney found seamless and welded OCTG to be part of broader product groupings including all seamless carbon and alloy steel tubular products and all welded carbon and alloy steel tubular products, respectively. *See, e.g., Steel, Inv. No. TA- 201-73, Volume I: Determinations and Views of Commissioners*, USITC Publication 3479, December 2001, pp. 17-18; 152-154; 274-275; and 318-319.

⁷ *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.

⁸ 19 U.S.C. § 2251.

⁹ *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.

¹⁰ *Steel; Import Investigations*, 66 FR 67304, December 28, 2001. Specifically, Chairman Koplan, Vice Chairman Okun, and Commissioners Miller and Hillman made a negative determination with respect to OCTG, while Commissioners Bragg and Devaney dissented, having made affirmative determinations with respect to all seamless carbon and alloy steel tubular products and all welded carbon and alloy steel tubular products.

¹¹ *Ibid.* This product includes coupling stock. *See* USITC Publication 3479, Vol. I, p. 13.

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On July 18, 2014, Commerce published notices in the *Federal Register* of its affirmative final determination of countervailable subsidies for producers and exporters of OCTG from India¹² and affirmative final determination of countervailable subsidies for producers and exporters of OCTG from Turkey.¹³ Table I-2 presents Commerce's findings. The following programs in India were determined to be countervailable:¹⁴

- I. Government of India Programs
 1. Advance License Program/Advance Authorization Program
 2. Duty Drawback
 3. Export Promotion Capital Goods Program
 4. Pre-Shipment and Post-Shipment Export Financing
 5. Income Tax Exemption Program Under Section 80-IA of the Income Tax Act
 6. Provision of Hot-Rolled Steel by the Steel Authority of India, Ltd. at Less Than Adequate Remuneration
- II. Programs by State Government of Maharashtra ("SGOM")
 1. SGOM Sales Tax Program
 2. SGOM Subsidies Under the Package Scheme of Incentives of 2007
 - i. Exemption from Electricity Duty for up to 15 Years
 - ii. Exemption from Stamp Duty
 - iii. Industrial Promotion Subsidy (IPS)
- III. State Government of Uttar Pradesh (SGUP) – Exemption from Entry Tax for the Iron and Steel Industry

¹² *Certain Oil Country Tubular Goods From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances*, 79 FR 41967, July 18, 2014.

¹³ *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 41964, July 18, 2014.

¹⁴ DOC, ITA, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from India*, July 10, 2014.

The following programs in Turkey were determined to be countervailable:¹⁵

- I. Deductions from Taxable Income for Export Revenue
- II. Export Financing
 1. Rediscount Program (Short-Term Pre-Shipment Rediscount Program)
 2. Pre-Export Credit Program
- III. Investment Encouraging Program (“IEP”): Customs Duty and VAT Exemptions
- IV. Provision of Electricity for Less Than Adequate Enumeration/ Law 5084: Energy Support
- V. Provision of Land for LTAR
- VI. Provision of HRS for LTAR
- VII. Withholding of Income Tax on Wages and Salaries
- VIII. Exemption from Property Tax
- IX. Law 5084: Incentive for Employers’ Share in Insurance Premiums

Table I-2
OCTG: Commerce’s subsidy determinations with respect to imports from India and Turkey

Country and firm	Countervailable subsidy margin (percent)	
	Preliminary ¹	Final ²
India		
GVN Fuels Limited/ Maharashtra Seamless Limited/Jindal Pipes Limited	3.50	5.67
Jindal SAW Limited	0.97 (<i>de minimis</i>)	19.11
All others	3.50	12.39
Turkey		
Borusan Istikbal Ticaret and Borusan Mannesmann Boru Sanayi	0.37 (<i>de minimis</i>)	15.89
Tosyali Dis Ticaret A.S, Tosçelik Profil ve Sac Endustrisi A.S., Tosyali Elektrik Enerjisi Toptan Satis Ith. Ihr. A.S., nd Tosyali Holding A.S.	0.88 (<i>de minimis</i>)	2.53
All others	0.63 (<i>de minimis</i>)	9.21

¹ *Certain Oil Country Tubular Goods From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 78 FR 77421, December 23, 2013 and *Certain Oil Country Tubular Goods From the Republic of Turkey: Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 78 FR 77420, December 23, 2013.

² *Certain Oil Country Tubular Goods From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances*, 79 FR 41967, July 18, 2014 and *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 41964, July 18, 2014.

¹⁵ DOC, ITA, *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey*, July 10, 2014.

Sales at LTFV

On July 10, 2014, Commerce and Interpipe finalized a suspension agreement that covers substantially all imports of the subject merchandise and will eliminate completely sales at LTFV of imported subject merchandise.¹⁶ On July 18, 2014, Commerce published notices in the *Federal Register* of its affirmative final determinations of sales at LTFV with respect to imports from India, Korea, Philippines, Saudi Arabia, Taiwan (other than Chung Hung Steel Corp.), Thailand, Turkey (other than Borusan), Ukraine, and Vietnam. Table I-3 presents Commerce's findings.

Table I-3
OCTG: Commerce's weighted-average LTFV margins with respect to imports from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam

Country/producer	LTFV (dumping) margin (percent)	
	Preliminary ¹	Final ²
India		
Jindal SAW Ltd.	55.29	9.91
GVN Fuels Ltd., Maharashtra Seamless Ltd., and Jindal Pipe Ltd.	0.0	2.05
All others	55.29	5.79
Korea		
Hyundai HYSCO	0.00	15.75
NEXTEEL Co., Ltd.	0.00	9.89
All others	(³)	12.82
Philippines		
HLD Clark Steel Pipe Co., Inc.	8.90	9.88
All others	8.90	9.88
Saudi Arabia		
Duferco SA/Jubail Energy Services Company	2.92	2.69/0.00
All others	2.92	2.69/0.00
Taiwan		
Chung Hung Steel Corp.	0.00	0.00
Tension Steel Industries Co., Ltd.	0.00	2.52
All others	(³)	2.52
Thailand		
WSP Pipe Co., Ltd.	118.32	118.32
All others	118.32	118.32

Table continued on next page.

¹⁶ *Suspension of Antidumping Investigation: Certain Oil Country Tubular Goods From Ukraine*, 79 FR 41959, July 18, 2014.

Table I-3**OCTG: Commerce's weighted-average LTFV margins with respect to imports from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam**

Country/producer	LTFV (dumping) margin (percent)	
	Preliminary ¹	Final ²
Turkey		
Borusan Mannesmann Boru Sanayi ve Ticaret and Borusan Istikbal Ticaret (collectively Borusan)	0.00	0.00
Cayirova Boru Sanayi ve Ticaret A.S. and Yucel Boru Ithalat-Ihracat ve Pazarlama A.S. (collectively Yucel)	4.87	35.86
All others	4.87	35.86
Ukraine		
Interpipe Europe S.A.; Interpipe Ukraine LLC; PJSC Interpipe Niznedneprovsky Tube Rolling Pipe (aka Interpipe NTRP); LLC Interpipe Niko Tube ⁴	5.31	6.73
All others	5.31	6.73
Vietnam		
SeAH Steel VINA Corporation	9.57	24.22
Vietnam-wide entity rate	111.47	111.47

¹ *Certain Oil Country Tubular Goods From India: Preliminary Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, and Postponement of Final Determination*, 79 FR 10493, February 25, 2014; *Certain Oil Country Tubular Goods From the Republic of Korea: Negative Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination*, 79 FR 41981, July 18, 2014; *Certain Oil Country Tubular Goods From the Republic of the Philippines: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 10491, February 25, 2014; *Certain Oil Country Tubular Goods From Saudi Arabia: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 79 FR 10489, February 25, 2014; *Certain Oil Country Tubular Goods From Taiwan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 79 FR 10495, February 25, 2014 and *Certain Oil Country Tubular Goods From Taiwan: Amended Preliminary Negative Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 79 FR 18667, April 3, 2014; *Certain Oil Country Tubular Goods From Thailand: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 79 FR 10487, February 25, 2014; *Certain Oil Country Tubular Goods From the Republic of Turkey: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 10484, February 25, 2014; *Certain Oil Country Tubular Goods From Ukraine: Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 10482, February 25, 2014; *Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, in Part, and Postponement of Final Determination*, 79 FR 10478, February 25, 2014.

² *Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances: Certain Oil Country Tubular Goods From India*, 79 FR 41981, July 18, 2014; *Certain Oil Country Tubular Goods From the Republic of Korea: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances*, 79 FR 41983, July 18, 2014; *Certain Oil Country Tubular Goods From the Republic of the Philippines: Final Determination of Sales at Less*

(Notes continued on following page)

Than Fair Value and Negative Final Determination of Critical Circumstances, 79 FR 41976, July 18, 2014; *Certain Oil Country Tubular Goods From Saudi Arabia: Final Determination of Sales at Less Than Fair Value*, 79 FR 41986, July 18, 2014; *Certain Oil Country Tubular Goods From Taiwan: Final Determination of Sales at Less Than Fair Value*, 79 FR 41979, July 18, 2014; *Certain Oil Country Tubular Goods From Thailand: Final Determination of Sales at Less Than Fair Value*, 79 FR 41978, July 18, 2014; *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances, in Part*, 79 FR 41971, July 18, 2014; *Certain Oil Country Tubular Goods From Ukraine: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 79 FR 41969, July 18, 2014; and *Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 41973, July 18, 2014.

³ Commerce did not calculate a weighted-average dumping margin for all other producers or exporters because it did not make an affirmative preliminary determination of sales at less than fair value. 79 FR 10481, February 25, 2014 and 79 FR 18667, April 3, 2014. *Certain Oil Country Tubular Goods From Ukraine: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 79 FR 41969, July 18, 2014; and *Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 41973, July 18, 2014.

⁴ The Department determined that Interpipe Europe S.A.; Interpipe Ukraine LLC; PJSC Interpipe Niznedneprovsky Tube Rolling Pipe (aka Interpipe NTRP); LLC Interpipe Niko Tube; North American Interpipe, Inc. (collectively, Interpipe) are affiliated and should be considered a single entity.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of this investigation as follows:

OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock. Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.¹⁷

¹⁷ *Certain Oil Country Tubular Goods the Republic of Korea: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances*, 79 FR 41983, July 18, 2014.

Tariff treatment

The imported OCTG subject to these investigations are classified in the 2014 Harmonized Tariff Schedule of the United States (“HTSUS”) in subheadings 7304.29, 7305.20, and 7306.29, casing and tubing of a kind used in drilling for oil and gas.¹⁸ The HTSUS provisions are provided for convenience and customs purposes only; the written description of the scope of these investigations is dispositive. The column 1-general (most-favored-nation) rate of duty for the enumerated subheadings, applicable to products subject to the investigations, is free.

THE PRODUCT¹⁹

Overview

Steel pipe and tubes are made in circular, rectangular, or other cross sections, and are generally manufactured by either the welded or seamless process. Steel pipe and tube manufactured by either process can be categorized by the carbon and alloy grades used in steel production. In addition, steel pipe and tube can be further categorized by end-use. The American Iron and Steel Institute (AISI) has defined six such end-use categories: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods (OCTG).²⁰

¹⁸ The merchandise subject to the investigations is currently imported under the following statistical reporting numbers of the HTSUS: 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150.

The merchandise subject to the investigations (including coupling stock) may also enter under the following HTSUS statistical reporting numbers: 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.39.0076, 7304.39.0080, 7304.59.6000, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, 7304.59.8070, 7304.59.8080, 7305.31.4000, 7305.31.6090, 7306.30.5055, 7306.30.5090, 7306.50.5050, and 7306.50.5070.

¹⁹ Except as noted, information presented in the “Description and Applications” and “Manufacturing Processes” is drawn from *Certain Oil Country Tubular Goods from China, Investigation No. 701-TA-463 (Final)*, USITC Publication 4124, January 2010.

²⁰ OCTG are steel pipe and tubes used in the drilling of oil and gas wells and in the conveying of oil and gas from within the well to ground level. Standard, line, and pressure pipe is generally intended to convey liquids and is typically tested and rated for its ability to withstand hydrostatic pressure. Structural pipe and tubing is used for load-bearing purposes and construction, and only small amounts

(continued...)

Steel pipe and tubes are generally produced according to standards and specifications published by a number of organizations, including the American Society for Testing and Materials (ASTM), the American Society of Mechanical Engineers (ASME), and the American Petroleum Institute (API). Comparable organizations in the United Kingdom, Japan, and Russia, and other countries also have developed standard specifications for steel pipe and tubes.

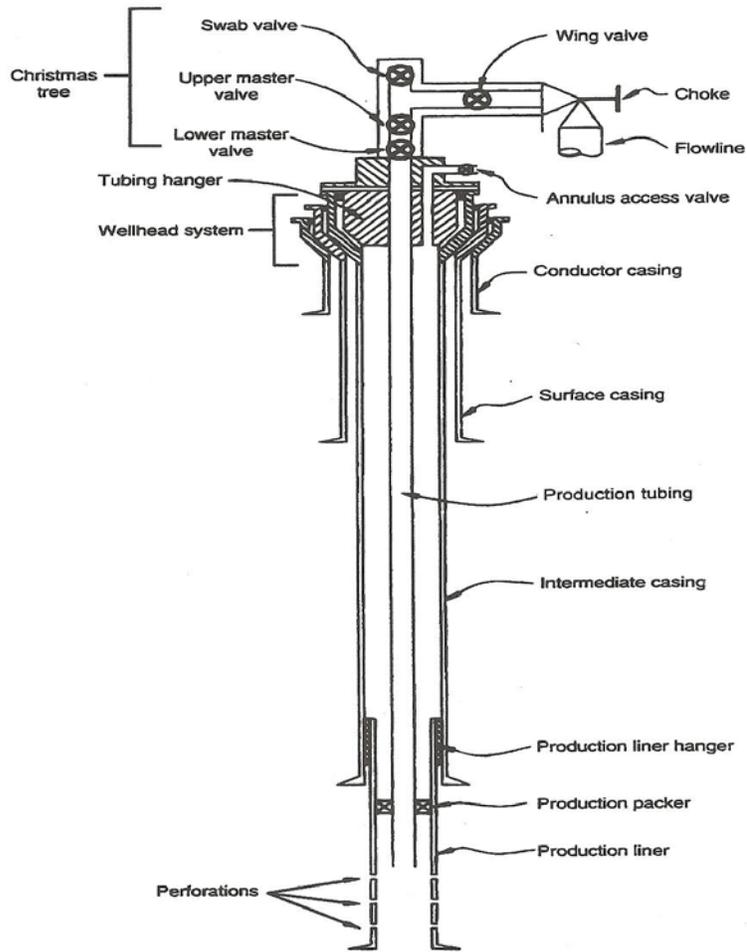
Description and applications

OCTG includes casing and tubing of carbon and alloy steel used in oil and gas wells. Figure I-1 shows a simplified schematic arrangement of a typical well with a system of casing and tubing. Figure I-2 presents a more detailed representation of an oil or gas well, including descriptions of different types of casing by depth and function.

(...continued)

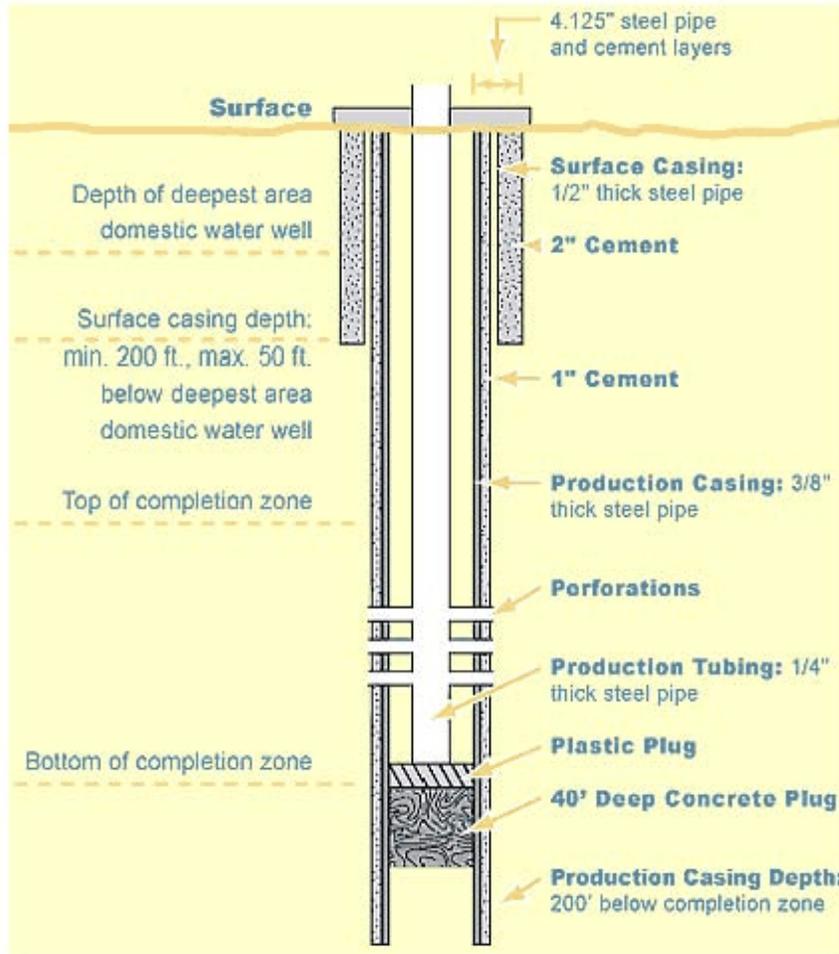
of seamless pipe are used in structural applications. Seamless mechanical tubing is typically a custom-designed product employed within the automotive industry and by equipment manufacturers.

Figure I-1
Casing and tubing: Simplified diagrammatic representation of a well showing the casing strings and production tubing



Source: Introduction to Oil and Gas Production, Fifth Edition, American Petroleum Institute, June 1996, p. 11.

Figure I-2
Casing and tubing: Subsurface components of an oil or gas well, including descriptions of different types of casing by depth and function



Source: La Plata County Energy Council, Inc. (Durango, CO), "Gas Facts: Gas Well Life Cycle," found at <http://www.energycouncil.org/gas-well-life-cycle>, retrieved July 30, 2013.

Recent advancements in oil and gas exploration technologies, including advanced horizontal drilling²¹ and hydraulic fracturing (figure I-3),²² have enabled oil and gas wells to reach locations that were previously deemed cost-prohibitive. In addition, the application of new technologies permits more wells per acre, thus increasing oil and gas production and recoverable reserves.

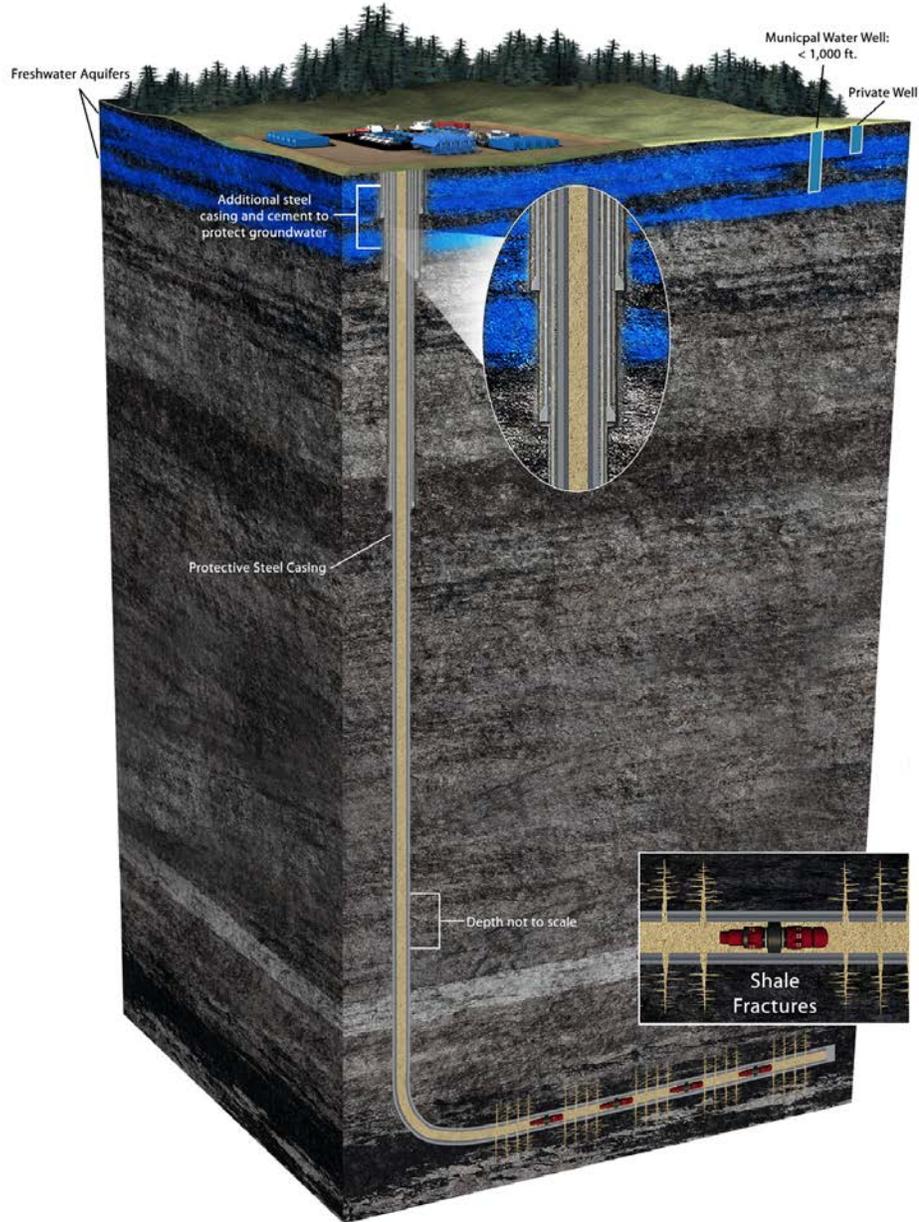
Casing is a circular pipe that serves as a structural retainer for the walls of the well. Casing typically has an outside diameter (OD) ranging from 4.5 inches to 20 inches and a length typically ranging from 34 feet to 48 feet. Casing provides a firm foundation for the drill string²³ by supporting the walls of the hole to prevent caving in or wall collapse both during drilling and after the well is completed. After the casing is set in the well hole, concrete is usually pumped down through the casing to the bottom of the well and then up the annulus (the space between the well wall and the casing) until the annulus is filled.

²¹ Horizontal drilling is a variant of directional drilling in which vertical drilling within a well turns horizontal with the reservoir rock to expose more of the wellbore to the oil or natural gas. More oil and natural gas can be produced from fewer wells with less surface disturbance. American Petroleum Institute (API), "Advanced Drilling Techniques," found at <http://www.api.org/oil-and-natural-gas-overview/exploration-and-production/natural-gas/advanced-drilling>, retrieved July 29, 2013. As of June 6, 2014, 67 percent of active rotary rigs (1,250 rigs) in the United States employed horizontal drilling, while 12 percent (221 rigs) employed directional drilling; the remaining 21 percent (389 rigs) employed vertical drilling. Baker Hughes International Inc., "North American Rotary Rig Count," June 6, 2014.

²² Hydraulic fracturing (commonly referred to as "fracking") requires the high-pressure injection of a mixture of water, sand, and chemicals through the well and into the surrounding shale rock formations, creating a network of narrow fractures in the rock. The fractures allow more oil and natural gas to enter through perforations made in the casing and tubing.

²³ The drill string consists of three different nonsubject products: drill pipe, drill collars, and the drill bit.

Figure I-3
Casing and tubing: Horizontal drilling and hydraulic fracturing



Source: American Petroleum Institute (API), "The Facts About Hydraulic Fracturing and Seismic Activity," 2013.

Casing also serves as a surface pipe designed to prevent contamination of the recoverable oil and gas by surface water, gas, sand, or limestone. Casing must be sufficiently strong to carry its own weight, as well as to resist both external pressure and pressure within

the well. Casing can be threaded at both ends and connected with other casing pieces with couplings or connectors. Because the amount of open hole that can be drilled at any one time is limited, larger wells require a string of concentric layers of casing rather than a single casing. Several sizes of casing may be set inside the well after it has been drilled, with the larger sizes set at the top of the well, and the smaller sizes set toward the bottom.

Tubing is a smaller-diameter pipe (between 1.050–4.5 inches OD) installed inside the larger-diameter casing that is used to conduct the oil or gas to the surface, either through natural flow or through pumping. Substances such as lubricants are also pumped into the well through the tubing for well treatment. Tubing must be strong enough to support its own weight, that of the oil or gas, and that of any pumping equipment suspended on the string. Tubing, like casing, usually is produced in accordance with API specification 5CT.

The API specification 5CT designates 11 separate grades of casing and tubing, identified by a letter and a number: H40, J55, K55, M65, N80, L80, C90, C95, T95, P110, and Q125. The API grade letter is an arbitrary designation, while the number refers to minimum yield strength in thousands of pounds per square inch, or “ksi”.²⁴ In addition, an API grade may be further delineated by chemical composition, method of production (i.e., seamless or welded), dimension, heat treatment, testing procedures, and other engineering specifications, depending on customers’ requirements.²⁵ According to industry representatives, API grades H40, J55, and K55 generally refer to carbon grades that have lower minimum yield strengths and that do not require heat treatment. API grades N80, L80, P110, and Q125 generally refer to alloy grades (due to the inclusion of additional alloying elements in the steel) that have minimum yield strengths greater than 80,000 ksi and require heat treatment.²⁶ Heat treatment enhances particular physical characteristics, including greater yield and tensile strengths.

The large majority of OCTG produced and sold in the United States is at its specified API grade; as presented in greater detail in Part IV, more than 95 percent of U.S. producers’ 2013 U.S. shipments were “at grade,” as were approximately 85 percent of 2013 imports from nonsubject sources and 75 percent from subject sources. Much of the remainder falls into two categories – tubular products that require further processing to comply fully with the API 5CT specifications for casing and tubing, and tubular products that can be upgraded from one API grade to a more demanding API grade through heat treatment.

Tubular products in the first category are often referred to as “green tube” (or less frequently “green pipe”) and typically meet certain basic API requirements, such as those for diameter and wall thickness.²⁷ The underlying steel is produced to a customer’s specification so

²⁴ Thus, Q125 has a higher yield strength than grade J55 or K55 (J55 and K55 differ with respect to minimum tensile strengths).

²⁵ For example, Grade L80, type 9Cr must contain 8-10 percent chromium by weight, produced by the seamless manufacturing process, and be tempered and quenched.

²⁶ Staff telephone interview with ***, July 31, 2013.

²⁷ “Designing an OCTG finishing floor for welded pipe” in *The Tube & Pipe Journal*, April/May 2009.

that the green tube can be converted into the required casing or tubing product, but the green tube itself is not sold “at grade.”²⁸

Tubular products in the second category already meet and are certified to API 5CT specifications for casing and tubing, but are produced with a steel chemistry that allows them to be upgraded. Such upgradeable OCTG is sometimes referred to as green tube, but industry practice is less consistent,²⁹ since the upgradeable product is certified to chemical and mechanical properties, has an API monogram, and (as discussed below) does not require heat treatment.³⁰

Upgradeable OCTG that meets the minimum specifications for lower-grade API 5CT casing and tubing (i.e., H40 and J55) can be certified to those grades and used in applications not requiring additional heat treatment.³¹ Alternatively, depending on its steel composition and wall thickness, upgradeable OCTG that meets non-heat treatable API grades of casing and tubing can be subsequently heat treated to increase yield and tensile strengths in order to meet the minimum specifications for higher-grade API 5CT casing and tubing (e.g., P110).^{32 33} Overall, a comparison of the volume of tubular products heat-treated by U.S. processors to the overall volume of mill shipments and U.S. imports of all OCTG that was not at final grade suggests that a substantial volume of upgradeable OCTG is, in fact, ultimately heat treated.³⁴

Finally, finished casing and tubing typically refers to product that has been heat treated (if required), tested, threaded, and coupled.

Coupling stock is a thick-walled, seamless tubular product used to manufacture coupling blanks. Coupling blanks, in turn, are unthreaded tube blanks used to make individual couplings. Couplings are thick-walled and internally threaded seamless cylinders that are used for joining two lengths of threaded OCTG. Couplings are produced and certified to the same API grade and type as the OCTG to which the couplings are joined. Coupling typically accounts for 2-3 percent of the weight of end-finished tubing or casing.

²⁸ Conference transcript, pp. 154-155 (Thompson).

²⁹ See, e.g., conference transcript, p. 88 (Mahoney); Northwest Pipe press release of February 8, 2011, “Northwest Pipe Company’s Tubular Products Group to Upgrade Mill in Houston, Texas” (stating “The Houston mill, which has traditionally produced only mechanical tubing products, began to produce green tube for OCTG in 2010. The mill upgrade will build on the OCTG green tube and other products already being produced on-site by adding production of 2 3/8 and 2 7/8 inch tubing with physical properties suitable for heat treating.”)

³⁰ Hearing transcript, pp. 285-286 (Cameron). Prehearing brief of petitioner Maverick, pp. 3-4.

³¹ Green tube certified to these grades undergo further finishing operations, including threading. Finishing operations are described in the *Manufacturing Processes* section of Part I.

³² Conference transcript, pp. 222–223 (Fowler); U.S. Steel postconference brief, exh. 1, pp. 18–19.

³³ API 5CT grades H40, J55, and K55 do not require heat treatment (although grades J55 and K55 can be heat treated at the manufacture’s option). API grades N80 (types I and II), M65, L80, C90, C95, T95, P110, and Q125 require some form of heat treatment. API Specification 5CT, Specification for Casing and Tubing, Eighth Edition, July 1, 2005, table E.4, p. 188. All grades are threaded in one form or another to finish the pipe.

³⁴ Compare tables III-4, IV-9, IV-10, and IV-11.

Manufacturing processes

The manufacturing process for casing and tubing includes forming and finishing phases. The forming phase takes place entirely at the manufacturing facility or mill. Finishing, by contrast, may take place at the mill or at a processing or threading facility.

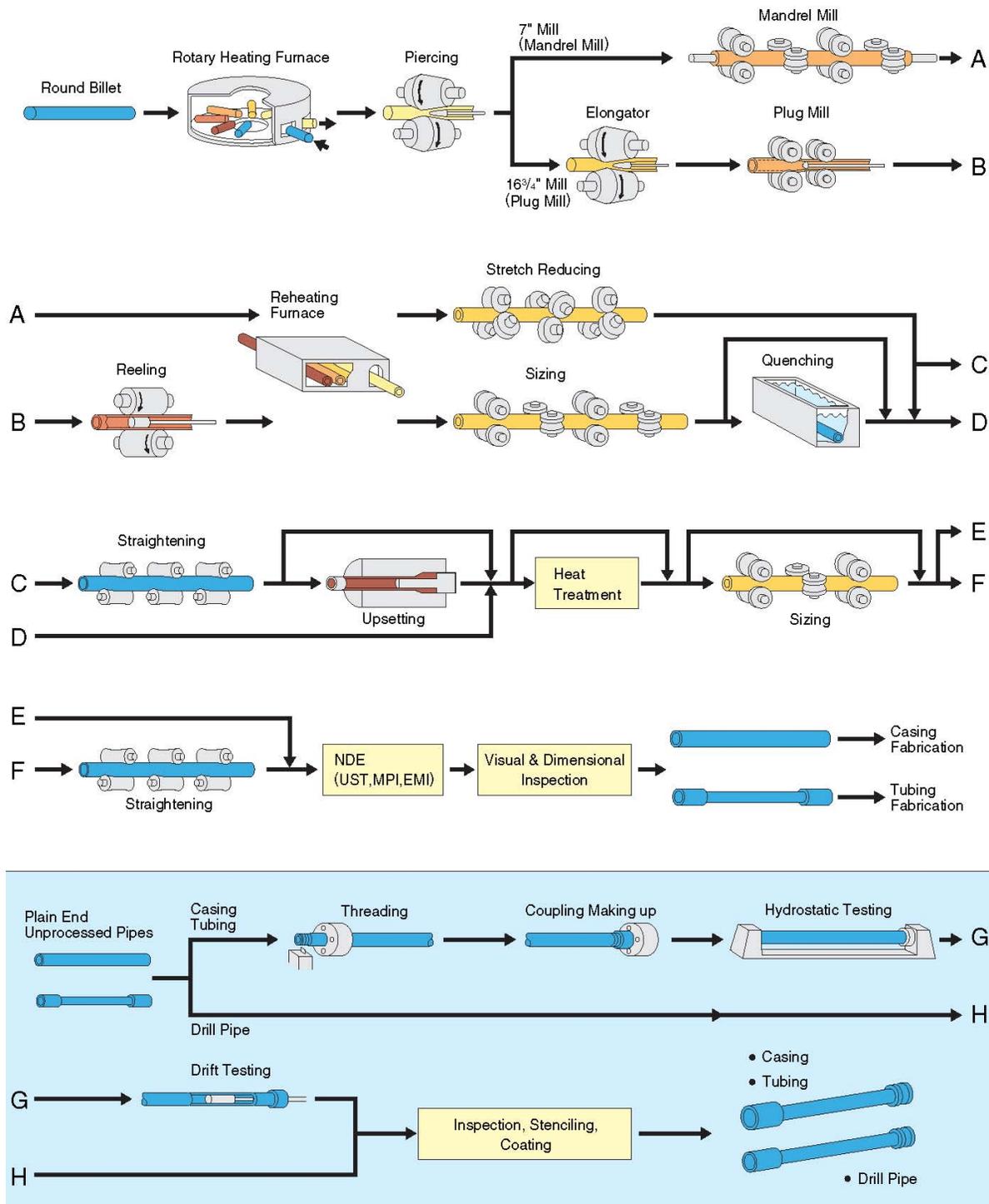
Forming phase

OCTG mills manufacture casing and tubing either by the seamless process or by the electric-resistance-welding (“ERW”) process, a lower-cost method than the seamless process, depending on the service requirements. By contrast, mills manufacture coupling stock for OCTG couplings exclusively through the seamless process.

Seamless OCTG is manufactured by either of two high-temperature methods to form a central cavity in a solid steel billet; namely, the rotary piercing method and the hot extrusion method. Round or square billets serve as the input for seamless tubing (figure I-4). If a square billet is used, it is first forced through a circular roll pass, which transformed the billet from square to round for the piercing operation. In the *rotary piercing method*, the heating billet is gripped by angled rolls, which cause the billet to rotate and advance over a piercer point, forming a hole through the length of the billet. In the *extrusion method*, the billet is hot punch-pierced and then extruded axially through a die and over a mandrel, forming a hollow shell. The hollow shell produced by either method is then rolled with a fixed plug or with a continuous mandrel inside the shell to reduce the wall thickness and increase the shell’s length. Finally, the shell is rolled in a sizing mill or a stretch-reducing mill where it is formed to size.

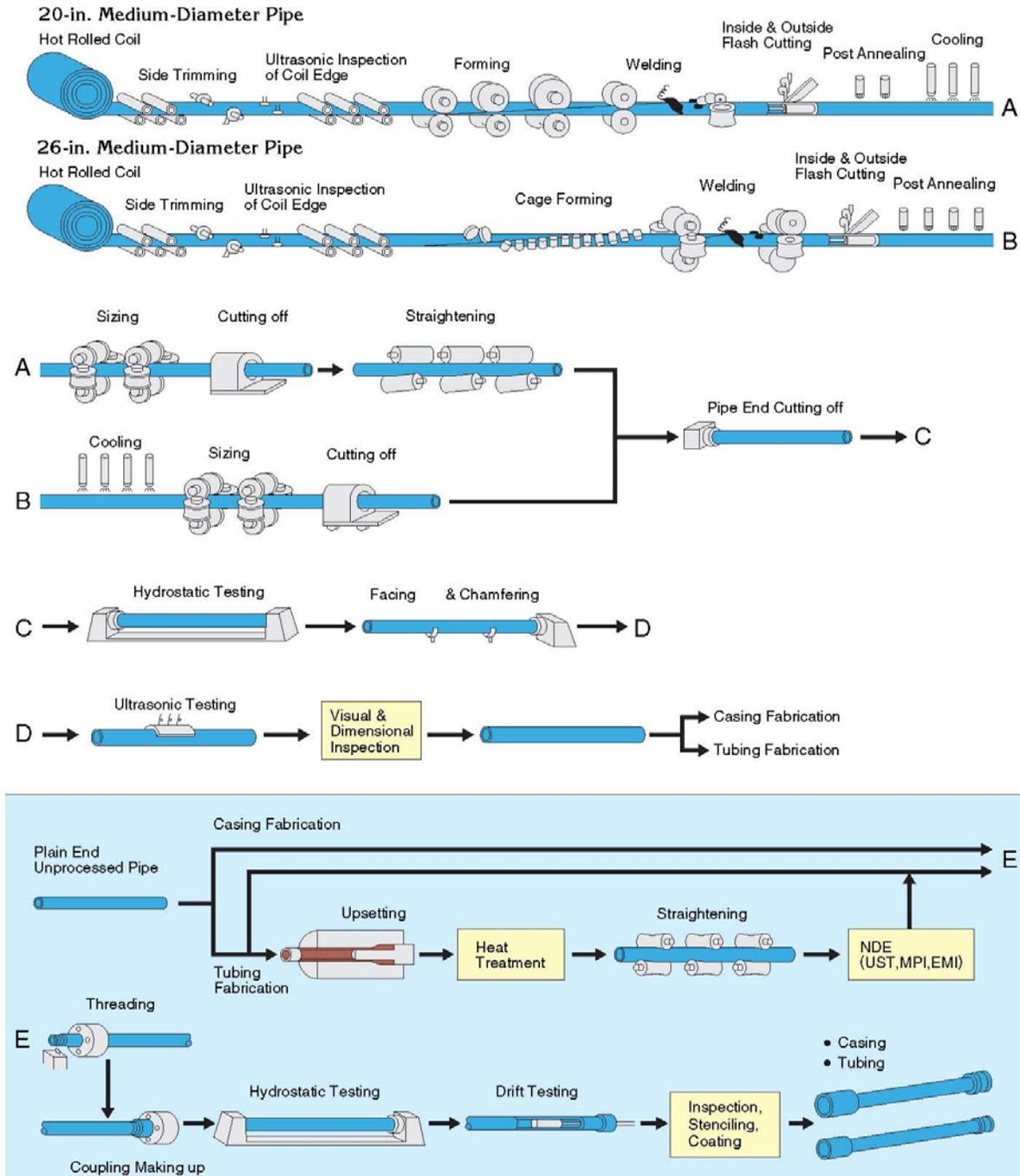
Welded OCTG is manufactured from steel sheet in coil form (figure I-5). The steel sheet is slit to the width that corresponds to the desired diameter of tube. The slit sheet passes through a series of rollers while at ambient temperature and forms a tubular shape. The edges are then heated by electric resistance and welded together by heat and pressure, without the addition of filler metal. The welding pressure causes some of the metal to be squeezed from the welding joint, forming a bead of metal on the inside and outside of the tube. This bead, or welding flash, is usually trimmed from both the outside and the inside surfaces.

Figure I-4
Casing and tubing: Seamless manufacturing process



Source: JFE Steel Corporation, OCTG (Product Catalog).

Figure I-5
Casing and tubing: General schematic of the ERW manufacturing process



Source: JFE Steel Corporation, OCTG (Product Catalog).

Finishing phase

After the forming phase, the pipe body is heat-treated, and its ends upset, threaded and coupled, as needed. U.S. pipe mills typically are equipped with the facilities necessary to perform these processes. Independent processors operate facilities that are capable of full-body heat treatment, and may upset pipe ends.³⁵ Threaders are capable of threading and coupling, hydrostatic testing, and measuring the length of OCTG products. Some processors and threaders may also manufacture couplings that become part of finished OCTG. Processors and threaders mainly serve imports,³⁶ since OCTG are often imported with plain ends, and are heat treated, upset, and threaded in the United States. This approach provides the flexibility to offer casing and tubing in compliance with a variety of specifications, thus allowing them to serve a wide range of consumer needs.³⁷

Heat treatment

In the steel manufacturing process, specific engineering characteristics and mechanical properties of the steel can be achieved through the application of different heat treatments. Heat treating may involve one or more heating cycles in either a continuous or batch furnace, with controlled rates of cooling. Specific heat treating requirements depend on the grade of steel being processed. For welded pipe, the heat treatment may cover the welded seam only, or the full cross-section of the pipe. API standards specify a documented procedure for every particular grade and type of pipe. API-specific heat treatment processes in the production of casing and tubing including annealing, normalizing, and quench and tempering.

Annealing is a single heat treatment process that prepares the steel for fabrication or service. The steel is heated to a temperature in or near a specific range, and cooled at a predetermined rate or cycle. Annealing relieves internal residual stresses or hardness induced by welding, by cold working, or by machining.

In the normalizing process, the pipe is heated above a specific temperature, held at this temperature for a specified time, and then air-cooled. Normalizing refines the steel grain size

³⁵ API defines a processor as: “firm, company, or corporation that operates facilities capable of heat treating pipe made by a pipe mill.” Most processors typically perform threading operations, although many threaders do not perform processing operations. Discussion of independent threaders is limited in this report, as the Commission in recent OCTG investigations has not deemed independent threaders to be part of the domestic industry producing casing and tubing. *Oil Country Tubular Goods from Argentina, Italy, Japan, Korea, and Mexico, Investigation Nos. 731-TA-711 and 713-716 (Second Review)*, USITC Publication 3923, June 2007, p. 9. *Certain Oil Country Tubular Goods from China, Investigation No. 701-TA-463 (Final)*, USITC Publication 4124, January 2010, p. I-18.

³⁶ Toll processors’ shipments for the account of importers accounted for *** percent of their total tolling revenue from 2011 to January-March 2014 (see table III-7). Processors’ purchased OCTG inputs were predominantly sourced from imports. ***.

³⁷ *Certain Oil Country Tubular Goods from China, Investigation No. 701-TA-463 (Final)*, USITC Publication 4124, January 2010, p. I-18.

and obtains a carbide size and distribution that is more suitable for future heat treatment than the as-rolled structure.

Quenching and tempering is a sequential process in which the pipe is heated to a specific temperature for a specified time period to modify the steel's microstructure, and then "quenched" in a cooling medium such as water, oil, or air, depending on the thickness of the pipe. After quenching, the steel is very brittle and must be reheated and then cooled under specific conditions. This process is called "tempering." The pipe must undergo a specified process of quenching and tempering in order to qualify for certain API grades.

Depending on the pipe design, API standards may specify a single heat treatment process or combination of processes for the pipe, such as normalizing and tempering, or quenching and tempering. After heat treatment, sizing rolls shape the tube to accurate diameter tolerances. The product is cooled and then cut to length at the end of the tube mill.

Coupling stock is made to the same grade and type specifications as casing and tubing. It must also be subject to the same heat treatment as pipe, except where specified by the purchaser.

Upsetting and threading

Casing and tubing are finished by threading and the attachment of a suitable coupling to one end of each length. If additional strength in the joint is required, such as for some casing or tubing that is subject to severe or sour service,³⁸ the ends of the pipe are upset before threads are cut. In the upsetting process, the end of the pipe is heated to forging temperature, and then inserted endwise into an upsetting machine. The machine pushes the hot metal back, creating a thicker wall at the end of the pipe. The upsetting may be controlled to displace the extra thickness to the inside or the outside of the pipe.

Casing and tubing can be joined directly using male (outer) and female (inner) threading, or by using couplings with female threads on each end. Typically, the pipe is mounted on a lathe and threads are cut by using sharp steel cutting tools (called chasers), which are mounted on a threading die surrounding the pipe. As the pipe is turned on the lathe, the threading die moved along the pipe's axis, producing the required spiral cut on the inner or outer surface of the pipe. Threading can be made to meet API standards, or made to proprietary standards that are designed, registered, and protected by patents or other intellectual property rights mechanism and that are not specified by API standards. For instance, OCTG producers may market proprietary "semi-premium" or "premium" threaded connections that provide higher torsional loads, bending resistance, or greater sealability for casing in challenging drilling

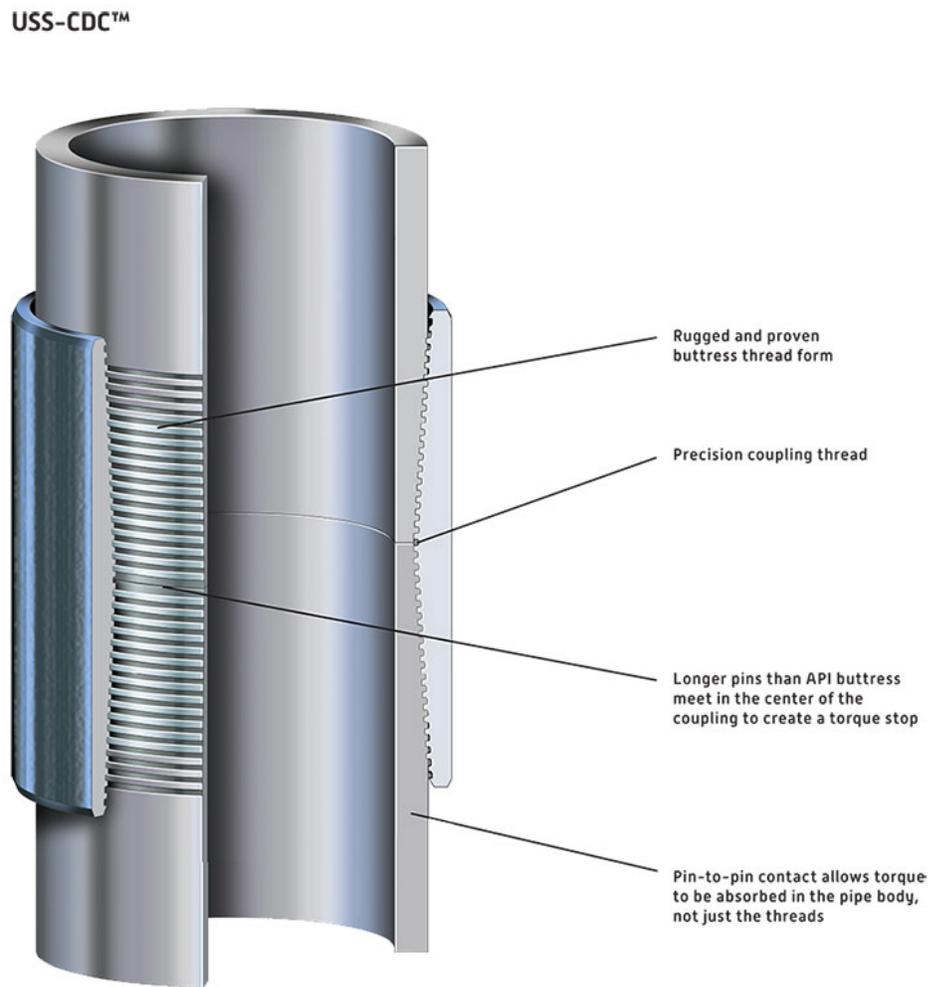
³⁸ Sour crude oil or sour gas is defined as an oil/gas containing common impurities such as water, carbon dioxide, hydrogen sulfide, and oxygen, which are mixed in with the oil/gas during extraction. These impurities corrode or cause cracking in steel; albeit, without any observable change in appearance prior to failure.

environments.³⁹ Premium threaded connections generally refer to OCTG connections that have a metal-to-metal, gas-type seal to ensure pressure integrity. Semi-premium connections generally refer to connections that do not have a metal-to-metal seal, yet maintain water-type sealability, and thus may be used in less demanding wells with no gas-type sealability requirements. Examples of threaded and coupled semi-premium and premium connections are shown in figures I-6 and I-7. After threading, a thread protector is applied to the threaded pipe ends during handling, transportation, or storage.⁴⁰

³⁹ For instance, U.S. Steel and EnergeX Tube produce and market various semi-premium connections. See, for example, U.S. Steel Tubular Products website, “Semi-Premium OCTG Connections,” found at <http://usstubular.com/octg-products-and-services/octg-connections/semi-premium-connections> (retrieved June 26, 2014); and EnergeX Tube website, “Semi-Premium Connections,” found at <http://www.energextube.com/semi-premium-connections> (retrieved June 26, 2014). U.S. Steel, Vallourec, and Tenaris produce and market various premium connections. See, for example, U.S. Steel Tubular Products website, “Premium OCTG Connections,” found at <http://usstubular.com/octg-products-and-services/octg-connections/premium-connections-metal-to-metal-seal> (retrieved June 26, 2014); Vallourec website, “VAM Product Lines,” found at <http://www.vam-usa.com/vam-product-lines.aspx> (retrieved June 26, 2014); and Tenaris website, “Premium Connections,” found at <http://www.tenaris.com/en/Products/PremiumConnections.aspx> (retrieved June 26, 2014).

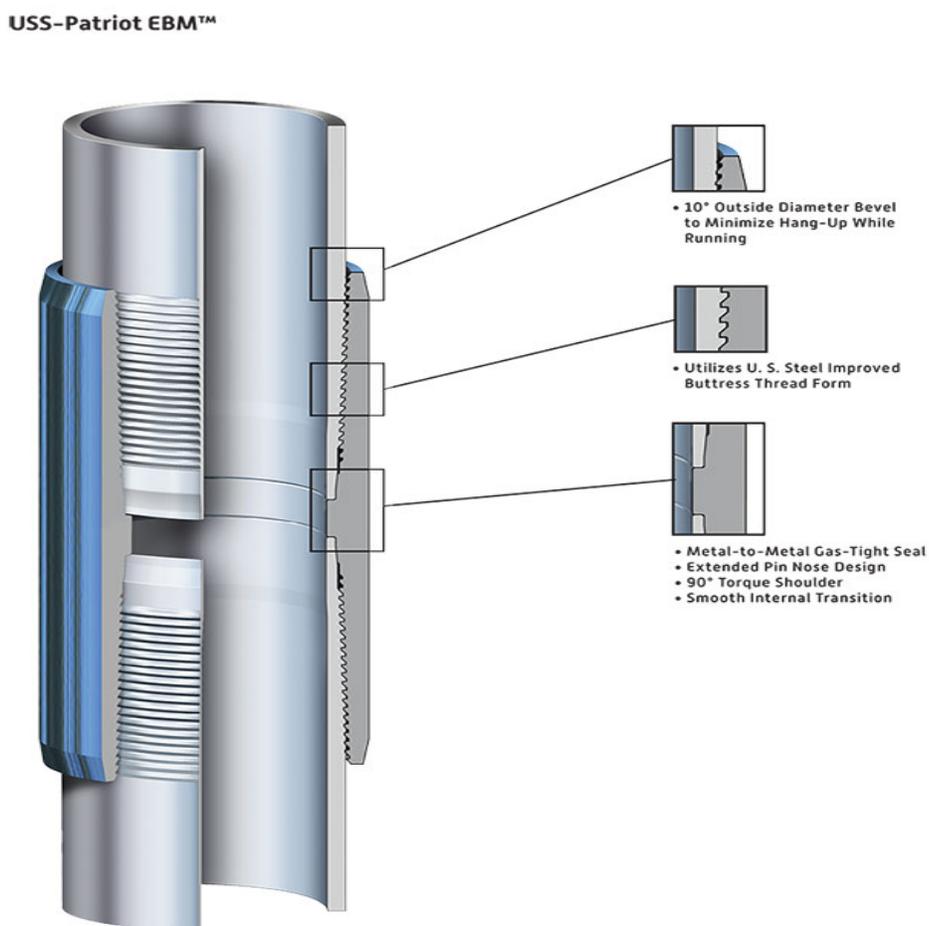
⁴⁰ Threading can be performed after transportation to avoid damage caused by movement, water, or weather. Damaged threads can cause expensive ruptures of the pipe string in casing and tubing applications where pipes are connected to one another by threaded joints.

Figure I-6
Casing and tubing: Threaded and coupled semi-premium connection



Source: U.S. Steel Tubular Products, found at <http://usstubular.com/octg-products-and-services/octg-connections>, retrieved June 18, 2014.

Figure I-7
Casing and tubing: Threaded and coupled premium connection



Source: U.S. Steel Tubular Products, found at <http://usstubular.com/octg-products-and-services/octg-connections>, retrieved June 18, 2014.

DOMESTIC LIKE PRODUCT ISSUES

The scope in these investigations explicitly includes seamless and welded OCTG regardless of end finish, as well as unfinished OCTG, including green tubes. Petitioners contend that the Commission should find one domestic like product coextensive with Commerce's scope.⁴¹ Petitioners argue that the Commission should continue its practice of including green tubes and semifinished products in the like product.⁴² Moreover, Petitioners contend that seamless and welded OCTG should not be regarded as separate like products because the

⁴¹ Petition, p. 20.

⁴² Prehearing brief of Petitioner U.S. Steel, p. 6.

Commission has concluded that seamless and welded OCTG are part of the same like product in past investigations.⁴³

Respondent ILJIN Steel Corporation (Korea) (“ILJIN”) argues that green tubes⁴⁴ subject to heat treatment in the United States prior to sale to the merchant market constitute a separate like product.⁴⁵ ILJIN argues that the product categories “not at API/proprietary grade” and “at API/proprietary grade but upgradeable” both fall within the definition of green tube.⁴⁶ Without heat treatment the first product category does not have an API monogram and can not be used as OCTG. These tubes must be finished to be used as OCTG. Accordingly, they satisfy the semi-finished product analysis standards for treatment as a separate like product.⁴⁷ ILJIN argues that there is no practical difference between “not at API/proprietary grade” and seamless tube that enters “at API/proprietary grade but upgradeable” since the seamless product is always heat treated before being sold in the U.S. merchant market.⁴⁸ The Commission preliminarily found that “there does not appear to be a clear dividing line between green tubes and finished OCTG, and we do not find that they are separate like products” but noted that it intended to reconsider this issue in any final phase of these investigations, and examine the extent to which green tubes and finished OCTG are sold in separate markets.⁴⁹ Shipments of finished OCTG and unfinished OCTG (including green tubes) are provided in Part IV of this report.

⁴³ Prehearing brief of Petitioner U.S. Steel, p. 6. and Exh. 1, p. 4.

⁴⁴ Unlike petitioner Maverick and the other Korean respondents, ILJIN uses the term green tube to include not just non-API tube but also upgradeable product. Posthearing brief of Korean respondent ILJIN, Appendix 1, p. 42. ***. Importers’ questionnaire response of ILJIN at II-34.

⁴⁵ Prehearing brief of Korean respondent ILJIN, p. 9. During the preliminary phase, ILJIN also argued that the Commission should reconsider the issue of whether finished seamless and welded OCTG belong in the same like product. Postconference brief of Korean respondent ILJIN, pp. 16 and 19. The Commission did not find that seamless and welded OCTG are separate like products. The Commission noted their identical channels of distribution, common basic physical characteristics and uses, and the large degree of interchangeability between the products. *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1223 (Preliminary)*, USITC Publication 4422, p. 12, August 2013.

⁴⁶ No party requested the collection of like product information in their comments on the Commission’s draft questionnaires.

⁴⁷ Posthearing brief of Korean respondent ILJIN, Appendix 1, p. 42.

⁴⁸ Posthearing brief of Korean respondent ILJIN, Appendix 1, p. 43.

⁴⁹ *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1223 (Preliminary)*, USITC Publication 4422, p. 12 n. 65, August 2013.

INTERMEDIATE PRODUCTS

As discussed above, unfinished (or “green” if not heat-treated) OCTG is a precursor to finished OCTG. Therefore, in addressing whether unfinished OCTG and finished OCTG constitute a single domestic like product, the Commission may apply its semifinished product analysis.

Uses

“Green tube” is a term that can apply to unfinished, non-heat-treated tube bodies intended for casing and tubing. The same term is also applied to non-API tube bodies used in the production of drill pipe. The scope of these investigations, however, does not include drill pipe or tube bodies used to make drill pipe. According to Respondent ILJIN, green tubes refer to semifinished seamless and welded OCTG that is processed by heat treating, as well as by other processes (such as threading and coupling, upsetting, and quality testing) before being sold in the U.S. merchant OCTG market.⁵⁰ It is the heat treatment and other processing that transform green tubes into commercially viable product.⁵¹

As previously noted in this section, green tube intended for an OCTG application is typically produced to meet the specifications for that particular application, and not for other applications, such as drill pipe. According to ***, green tube is produced to customer specifications in terms of chemistry, outside diameter, length, and tolerances.⁵² Because U.S. mills already produce and sell the vast majority of their OCTG “at grade,” only *** of domestically produced OCTG was sold as green tube (broadly defined) in 2013. As discussed above, a substantial portion of such shipments are subsequently heat treated by U.S. processors to final API grade.

Markets

Respondent ILJIN argues that there are different markets for green tubes requiring heat treatment and finished OCTG. ILJIN argues that the need for heat treatment determines the market in which green tubes are sold and the type of customers that purchase green tubes. ILJIN contends that customers for imported green tubes would be processors with available facilities to heat-treat and otherwise finish the imported product. Moreover, ILJIN argues that distributors that purchase finished OCTG lack heat-treating capabilities. As such, imported green tube and finished OCTG are sold into different markets.⁵³

In 2013, two U.S. producers *** shipped *** short tons of unfinished OCTG, not at API/proprietary grade.⁵⁴ Both producers sold this product exclusively to distributors.⁵⁵ Two U.S.

⁵⁰ Prehearing brief of ILJIN, p. 9.

⁵¹ Prehearing brief of ILJIN, p. 11.

⁵² Staff telephone interview with ***, July 31, 2013.

⁵³ Prehearing brief of ILJIN, pp. 11-12.

⁵⁴ ***.

producers *** shipped *** short tons of unfinished OCTG that was at API/proprietary grade but upgradeable.⁵⁶ These two producers reported only sales to distributors, but identified a processor (***) as a customer.⁵⁷ ⁵⁸ Green tube sold to processors was entirely sold to distributors after heat treatment. Specifically, the only independent processor known to purchase U.S.-produced green tube is ***.⁵⁹ This processor ***.⁶⁰

Characteristics and functions

As discussed above, green tube intended for OCTG applications is produced to the chemistry and dimensional specifications that permit processors to undertake finishing operations such as heat treatment, upsetting, threading, and coupling. Prior to heat treatment, however, green tube cannot be connected to other finished OCTG to form a casing or tubing string, and thus cannot function as a component of well casing or tubing. However, in some cases upgradeable OCTG that meets the minimum specifications for lower-grade API 5CT casing and tubing (i.e., H40 and J55) can be certified to those grades and used in applications not requiring additional heat treatment (following threading and coupling).⁶¹

Value

Unfinished OCTG in its green stage is produced by both seamless and welded pipe mills. As shown in table IV-9, in 2013, U.S. mills' sales of unfinished OCTG, not at API/proprietary grade, had an average unit value of *** and U.S. mills' sales of unfinished OCTG at API/proprietary grade but upgradeable had an average unit value of ***. In comparison, U.S. producers' (including mills and processors) shipments of finished OCTG had an average unit value of \$1,568 in 2013. Similarly, the average unit value of *** purchase price of green tube in 2013 was *** and the average unit value of its U.S. commercial shipments was ***. Respondent ILJIN points to the value added by tollers and stand-alone processors in heat treating or finishing green tubes. ILJIN argues that it is because of the substantial processing

(...continued)

⁵⁵ E-mail from ***, July 29, 2014 and Postconference brief of ***.

⁵⁶ ***.

⁵⁷ Questionnaire response of *** and questionnaire response of ***.

⁵⁸ ***. During the preliminary phase of these investigations, U.S. Steel reported selling green tube to processors and to distributors ***. Importers also sell green tube to distributors. See questionnaire response of ***, which sells green tube from *** to distributors. ***'s customer is ***. Staff telephone interview with ***, August 8, 2013.

⁵⁹ The other independent processor, ***.

⁶⁰ Questionnaire response of ***.

⁶¹ In 2013, U.S. producers' shipped *** short tons of OCTG at API/proprietary grade, but upgradeable, accounting for *** percent of U.S. producers' total U.S. shipments.

costs to bring green tube to commercial levels that the cost of producing and sale value of finished OCTG is higher than for green tubes.⁶²

Transformation process

Respondent ILJIN has argued that because of the necessity of heat treatment, seamless green tubes that have not undergone heat treatment as imported are not interchangeable with other finished OCTG products.⁶³ ILJIN has argued that seamless green tubes that have not undergone heat treatment as imported differ in their physical and structure properties from finished seamless OCTG, thereby preventing them from being interchangeable for any use.⁶⁴

As discussed previously, green tube intended for OCTG applications is produced by either the seamless or welded process. Green tubes typically undergo a heat treatment process to impart the necessary physical characteristics of finished OCTG. Depending on its steel composition and wall thickness, tube that meets certain non-heat treatable grades of the API specification for casing and tubing such as J55 can be subsequently heat-treated to improve its yield and tensile strengths in order to meet the minimum specifications for higher-grade API 5CT casing and tubing such as P110. However, these upgradeable tubes can also be sold as J55 tubing or casing. Petitioners note that upgradeable tube provides inventory flexibility with the capability to be upgraded to different grades⁶⁵ and that upgradeable tube is a means for managing distributor inventories.⁶⁶

⁶² Prehearing brief of ILJIN, p. 11.

⁶³ ILJIN's postconference brief, July 26, 2013, p. 17.

⁶⁴ ILJIN's postconference brief, July 26, 2013, p. 17.

⁶⁵ Hearing transcript, p. 151 (Price), Hecht pp. (153-154).

⁶⁶ Prehearing brief of Maverick, p. 6.

PART II: SUPPLY AND DEMAND INFORMATION

U.S. MARKET CHARACTERISTICS

Welded and seamless OCTG includes casing and tubing for use in oil and natural gas exploration and production. As a result, the demand for OCTG is closely associated with the amount of activity in these sectors.

Both vertical drilling and horizontal drilling employ casing for structural integrity and tubing for liquid and gas flow (including traditional extraction and hydraulic fracturing or “fracking,” which requires a high-pressure injection of fracturing fluid into the well). Since January 2011, the use of hydraulic fracturing has increased, as has the number of rigs and total footage of wells drilled. The amount of OCTG used in hydraulic fracturing can be greater than that used in traditional vertical wells.¹

Channels of distribution

Domestically produced and imported OCTG are sold mainly through distributors (table II-1). During January 2011-March 2014, U.S. producers shipped 100 of their OCTG to distributors. U.S. importers shipped more than 90 percent of OCTG imported from subject and nonsubject sources to distributors between January 2011 and March 2014, with limited exceptions: ***.

¹ Preliminary conference transcript, p. 185 (Brewer).

Table II-1

OCTG: U.S. producers' and U.S. importers' U.S. shipments by sources and channels of distribution, 2011-13 and January-March 2014

Item	Period			
	2011	2012	2013	Jan.-March 2014
	Share of U.S. shipments (percent)			
U.S. producers' U.S. shipments of OCTG to:				
Distributors	100.0	100.0	100.0	100.0
End users	0.0	0.0	0.0	0.0
U.S. importers' U.S. shipments of OCTG from India to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from Korea to:				
Distributors	98.4	98.6	98.1	92.0
End users	1.6	1.4	1.9	8.0
U.S. importers' U.S. shipments of OCTG from the Philippines to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from Saudi Arabia to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from Taiwan (other than Chung Hung) to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from Thailand to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from Turkey to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from Ukraine to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from Vietnam to:				
Distributors	***	***	***	***
End users	***	***	***	***
U.S. importers' U.S. shipments of OCTG from nonsubject sources (including Taiwan-Chung Hung) to:				
Distributors	***	***	***	***
End users	***	***	***	***

Note.--Numbers may not add to 100.0 because of rounding.

Source: Compiled from data submitted in response to Commission questionnaires.

Geographic distribution

OCTG is sold throughout the United States to distributors and, ultimately, to oil and natural gas exploration and production firms, as indicated earlier. Consequently, sales are concentrated in major oil- and gas-producing regions, especially the Central Southwest. Table II-2 presents geographic market areas served by producers and importers. Eight of 13 responding U.S. producers supply OCTG in the contiguous United States. In addition to locations in the contiguous United States, two producers (***) reported making sales in Alaska. Imports from each subject country were shipped to the Central Southwest by at least *** importers, ***. The Pacific Coast, Midwest, and Mountain regions received that next-greatest coverage by subject imports, with imports from *** serving those regions. Importers of OCTG from India, the Philippines, Taiwan, and Ukraine reported serving the continental United States.

Table II-2

OCTG: Geographic market areas in the United States served by U.S. producers and importers, by number of responding firms

Region	Central Southwest	Midwest	Mountains	Northeast	Pacific Coast	Southeast	Other ¹
U.S. producers	13	10	11	10	8	9	2
India	12	2	2	1	4	2	0
Korea	17	4	3	2	2	0	0
Philippines	10	2	2	1	2	2	0
Saudi Arabia	***	***	***	***	***	***	***
Taiwan	10	2	1	1	2	2	0
Thailand	3	0	0	0	0	0	0
Turkey	5	1	1	1	1	1	1
Ukraine	3	1	1	1	1	1	1
Vietnam	12	1	2	0	2	0	0

¹ All other U.S. markets, including AK, HI, PR, VI, among others.

Source: Compiled from data submitted in response to Commission questionnaires.

In general, U.S. producers shipped their OCTG longer distances than did importers of OCTG from subject countries. Domestic producers reported selling 10.6 percent of their OCTG within 100 miles of their production facility, 44.0 percent between 100 and 1,000 miles, and 45.4 percent over 1,000 miles. U.S. importers sold the majority of their OCTG within 100 miles of their port of entry/warehouse, with the exception of OCTG from ***. Shipments by country and by distance are presented in table II-3.

Table II-3
OCTG: Shipments by country and by distance reported by U.S. producers and importers

Item	0 to 100 miles	101-1,000 miles	Over 1,000 miles
U.S. producers	10.6	44.0	45.4
India	***	***	***
Korea	77.1	17.3	5.6
Philippines	***	***	***
Saudi Arabia	***	***	***
Taiwan	***	***	***
Thailand	***	***	***
Turkey	***	***	***
Ukraine	***	***	***
Vietnam	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

SUPPLY AND DEMAND CONSIDERATIONS

Supply

Domestic production

The majority of the data in this section focuses on OCTG mills; there were limited sales of OCTG by non-toll processors. Based on available information, U.S. producers have the ability to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced OCTG to the U.S. market. The main contributing factors to this degree of responsiveness of supply are substantial excess capacity, some ability to use inventories, and the ability to switch to and from producing other products on the same equipment and machinery.

Industry capacity

U.S. mills' capacity increased from 4.9 million short tons in 2011 to 5.8 million in 2013, and was higher in interim 2014 (1.5 million short tons) than interim 2013 (1.4 million short tons). Even with an increase in mill capacity of 17.9 percent during 2011-13, the capacity utilization rate increased from 67.6 percent in 2011 to 70.8 percent in 2013, and was 72.0 percent in January-March 2014, compared with 72.4 percent in January-March 2013. Continuing and additional plant openings and expansions are planned in 2014-16,² although as discussed in Part III of this report, new capacity may be partially offset by idling or closures of welded pipe facilities. This relatively moderate level of utilization suggests that U.S. producers may have substantial capacity to produce OCTG in response to increases in price.

² Part III contains specific information regarding the size and timing of these plant openings and expansions.

Producer inventory levels

Inventories are typically moderate in this industry since OCTG is usually produced-to-order for specific end users, but shipped to and inventoried by distributors to meet delivery schedule needs. U.S. mills' ratio of inventories to total shipments decreased from 10.8 percent at the end of 2011 to 9.1 percent by the end of 2013, and was 9.1 percent of annualized shipments in March 2014, compared with 10.4 percent in March 2013. These levels of inventories suggest that U.S. producers may have some ability to use inventories to respond to price changes. Larger inventories are more typically held by distributors of OCTG. More information regarding market inventory levels is presented later in Part II.

Alternative markets

U.S. mills' exports, as a share of total shipments, increased from 5.2 percent in 2011 to 6.5 percent in 2013, and were 8.1 percent in January-March 2014, compared with 4.9 percent in January-March 2013. Based upon somewhat low but increasing export volumes, U.S. producers likely have some ability to shift shipments between the U.S. market and other markets in response to price changes.

Production alternatives

In addition to welded and seamless oil/gas well casing and tubing, U.S. producers manufacture mechanical tubing, and standard/line/pressure pipe on the same equipment used to produce OCTG. In 2011, 75.2 percent of shared welded production was used to manufacture OCTG and 24.8 percent was used to produce other (non-OCTG) welded products. The OCTG share increased to 77.7 percent in 2013, and was 84.8 percent in January-March 2014, compared with 77.8 percent one year earlier, indicating that an increasing proportion of shared welded production resources is being used to manufacture OCTG.

With respect to shared seamless pipe and tube production, shares have varied since 2011. In that year, 75.0 percent of production on shared seamless capacity was used for OCTG. This increased to 78.0 percent in 2012 and to 79.8 percent in 2013. The proportion was lower (76.9 percent) in interim 2014, however, than in interim 2013 (80.7 percent).

The vast majority of all heat treatment capacity in the United States is reserved for OCTG. This is true for both U.S. mills and independent U.S. processors.

Supply constraints

U.S. producers were asked if they refused, declined, or were unable to supply OCTG since January 1, 2011.³ Four of 14 responding producers reported that they were unable to supply product at some time since 2011. Producer *** stated that it was cautious in bringing in new customers ***. ***. ***. ***. ***.

³ This includes placing customers on allocation or "controlled order entry," declining to accept customers or renew existing customers, delivering less than the quantity promised, or failing to meet timely shipment commitments.

OCTG imports from the subject countries

Subject imports of OCTG have increased since 2011. In January 2010, countervailing duties on OCTG imported from China entered into effect, followed by antidumping duties in May 2010.⁴ After the imposition of AD and CVD duties on Chinese product, OCTG imports from subject sources increased from 1.3 million short tons in 2011 to 1.8 million short tons in 2012 and 2013. Subject imports were higher in interim 2014 than in interim 2013 (463,000 short tons compared with 421,000 short tons).⁵

Imports from subject sources increased from *** percent of the quantity of apparent U.S. consumption in 2011 to *** percent in 2012 before falling to *** percent in 2013; they represented *** percent of apparent U.S. consumption in the first three months of 2014, compared with *** percent in the first three months of 2013.

The largest subject import sources of OCTG imports throughout this period were Korea, India, Turkey, and Vietnam, which represented *** percent of apparent U.S. consumption in 2013, respectively. Thailand was the smallest subject source (0.5 percent) in 2013. Country-by-country data were available for product imported into the U.S. markets for all subject countries (table II-4).

⁴ *Federal Register*, 75 FR 3203, January 20, 2010 and 75 FR 28551, May 21, 2010.

⁵ During the first quarter of 2014, imports from Korea, which accounted for approximately three-quarters of subject imports in interim 2014, were subject to a *de minimis* preliminary determination by Commerce.

Table II-4

OCTG: Capacity, total shipments to the U.S. market, capacity utilization, inventories, sales to its home market and the U.S., and overall capability to shift sales to the United States

Year	Total capacity	U.S. imports ¹	Cap. util.	Inventories to shipments	Sales to markets		Factors influencing supply responsiveness to changes in the U.S. market
	Short tons				Home	U.S.	
Percent							
India:²							
2011	***	***	***	***	***	***	India was the third-largest source of subject imports in 2012 and the second-largest source in 2013. Indian capacity increased over the period but capacity utilization decreased considerably. India's home market accounts for about half of its sales. Indian producers' moderate-to-large shipments to the United States, increasing capacity, low capacity utilization, and inventory level enhance the ability to increase shipments to the U.S. market.
2012	***	***	***	***	***	***	
2013	***	***	***	***	***	***	
Jan.-Mar. 2014	***	***	***	***	***	***	
Korea:							
2011	1,087,382	***	67.5	2.7	0.7	96.3	Korea has been the largest source of imports of OCTG since 2011. Its low inventories and limited alternative markets reduce its ability to increase its supply to the U.S. market in the event of a price change. However, it has the largest capacity to produce welded OCTG and Korean producers recently added seamless capacity, which may increase the ability to supply the U.S. market.
2012	1,160,302	***	77.8	5.1	0.9	97.3	
2013	1,231,223	***	88.7	8.6	1.1	96.9	
Jan.-Mar. 2014	329,781	***	110.4	6.2	0.3	99.3	
Philippines:							
2011	***	23,933	***	***	***	***	The producer in the Philippines had the smallest capacity among subject producers and the highest capacity utilization in 2013. The *** of sales are exports to the United States. No inventories were reported. These factors indicate a relatively low ability to increase shipments to the United States.
2012	***	69,757	***	***	***	***	
2013	***	73,969	***	***	***	***	
Jan.-Mar. 2014	***	17,794	***	***	***	***	
Saudi Arabia:							
2011	***	***	***	***	***	***	Saudi Arabia has a relatively large home market, and its shipments to its home market increased in 2013 and interim 2014. Producers in Saudi Arabia have been adding capacity and project this to continue, thus increasing the ability to ship to the United States; however, high capacity utilization moderates this ability. Ending inventories were more than *** as much in March 2014 than in March 2013.
2012	***	***	***	***	***	***	
2013	***	***	***	***	***	***	
Jan.-Mar. 2014	***	***	***	***	***	***	
Taiwan (subject):²							
2011	***	***	***	***	***	***	Capacity increased greatly in 2012, and production has also grown, but capacity utilization has declined considerably since 2011. Inventories held by Taiwan producers are relatively low, the home market is small, and most production is shipped to the U.S. market. These factors indicate that Taiwan producers may have some ability to increase shipments to the U.S. market.
2012	***	***	***	***	***	***	
2013	***	***	***	***	***	***	
Jan.-Mar. 2014	***	***	***	***	***	***	

Table continued on the next page.

Table II-4--Continued

OCTG: Capacity, total shipments to the U.S. market, capacity utilization, inventories, sales to various markets and overall capability to shift sales to the United States

Year	Total capacity	U.S. imports ¹	Capacity utilization	Inventories to shipments	Sales to markets		Factors influencing supply responsiveness to changes in the U.S. market
	Short tons				Home	U.S.	
Percent							
Thailand:							
2011	***	6,135	***	***	***	***	Thai producers ³ had the fewest sales of subject OCTG to the United States over 2011-13. All of the Thai producer's shipments were of seamless OCTG. A high proportion already sold to the U.S. market may decrease the ability to further increase supply to the U.S. market; low capacity utilization and relatively large ending inventories increase the Thai producer's ability to shift shipments to the U.S. market, however.
2012	***	31,833	***	***	***	***	
2013	***	33,741	***	***	***	***	
Jan.-Mar. 2014	***	11,911	***	***	***	***	
Turkey:							
2011	***	140,806	***	***	***	***	Producers in Turkey shipped over *** percent of their OCTG to the U.S. market. Despite higher capacity, production was lower in 2013 than 2011 and in interim 2014 compared with interim 2013. Ending inventories were maintained at a low level. Lower capacity utilization enhances Turkish producers' ability to ship to the United States, while low inventories and limited alternative markets diminish it.
2012	***	151,576	***	***	***	***	
2013	***	133,773	***	***	***	***	
Jan.-Mar. 2014	***	34,158	***	***	***	***	
Ukraine:							
2011	***	***	***	***	***	***	Ukraine only produces seamless OCTG. Its capacity did not change, but its capacity utilization was lower in 2013 and interim 2014 than in 2011 or 2012. This, combined with the existence of large third-country markets and high inventories, indicates that producers in Ukraine have some ability to increase shipments to the U.S. market.
2012	***	***	***	***	***	***	
2013	***	***	***	***	***	***	
Jan.-Mar. 2014	***	***	***	***	***	***	
Vietnam:							
2011	***	56,697	***	***	***	***	Producers in Vietnam had the largest percentage increase in shipments to the United States between 2011 and 2013. Vietnam does not have any developed hydrocarbon mining, so all production is exported, with *** percent shipped to the United States since 2011. Ending inventories were *** percent of annualized total shipments in March 2014.
2012	***	219,997	***	***	***	***	
2013 ⁴	***	144,871	***	***	***	***	
Jan.-Mar. 2014	***	2,757	***	***	***	***	

¹ U.S. imports are from official Commerce statistics, as adjusted. All other data are from the foreign producers' questionnaires and reflect the coverage provided in the foreign producer questionnaires.

² These data exclude data for Indian processors and for nonsubject Taiwan producer Chung Hung.

⁴ These data cover one Thai producer. A second Thai producer responded in the preliminary phase, but not in the final phase of these investigations. This producer, WSP, began production in 2011, reported *** short tons of capacity, *** short tons of production, and exported *** short tons to the United States in 2012. WSP did not project any increases in capacity for 2013.

⁵ This capacity figure does not include data for three producers in Vietnam which did not respond to the Commission's questionnaire but were in operation and exporting during 2012. One of the producers, ***. Respondent SeAH Vina's postconference brief, pp. 8-9.

Note.—Foreign producer data for most subject countries cover the majority of imports into the United States in 2013: ***. For further information, see Part VII.

Source: Compiled from data submitted in response to Commission questionnaires.

Supply constraints

Thirty-three of 43 responding importers stated that they had not had any constraints on their supply. The other 10 importers attributed supply constraints to issues including: a fire in the production plant; delayed shipments and declining prices; an inability to source “P110 regular and HC pipe;” lack of heat treating and finishing facilities in the United States (specifically, Houston, Texas); the limited availability/inability to access of premium and semi-premium threads; the inability to be a primary provider on program sales due to long lead times; a country of origin ruling by Commerce; logistical issues; an exclusive contract; being on allocation from the mill; and the need for the mill to order blooms specifically for OCTG orders.

Nonsubject imports

Imports from nonsubject sources accounted for between *** percent of apparent U.S. consumption since 2011. The leading nonsubject sources for U.S. imports of OCTG between January 1, 2011 and March 31, 2014 were Canada, Japan, Mexico, Argentina, and Germany. The industries in each of these countries include one or more producers that are related to at least one domestic producer or distributor of OCTG. Overall, Canada and Argentina were the second- and third-largest sources of imports of OCTG into the United States in 2013, behind Korea. Canada and Japan were the second- and third-largest sources of imports of OCTG into the United States in January 2011-March 2014 behind Korea.

Inventories

Inventories are held domestically by producers, distributors, importers, and end users in the United States. Distributors will typically stock OCTG from producers and importers, and try to maintain inventory levels that are neither too small (risking missed delivery time frames or lost sales) or too large (risking price fluctuations that affect the valuation of any held stock). When inventories are perceived to be too large, less OCTG will be required from producers and importers.

The staff report in the Commission’s previous investigation of OCTG, published in 2010, noted that market participants prefer to see inventories at or below six months of anticipated use.⁶ At the Commission’s hearing in the present investigations on July 15, 2014, petitioners testified that five months of inventory is presently too much, and three months of inventory is preferred, based on increased supply chain efficiencies and a decrease in the variety of OCTG used in extracting shale oil and gas.⁷ Respondents testified at the preliminary staff conference that the preferred level of inventories on hand is around five months, as the number of storage facilities have increased, especially outside of Texas.⁸

⁶ *Oil Country Tubular Goods from China, Inv. No. 701-TA-463 (Final)*, USITC Publication 4124, January 2010, p. II-4.

⁷ Hearing transcript, p. 112 (Tait) and 109 (DuBois).

⁸ Preliminary staff conference transcript, pp. 169 and 272 (Fowler).

Producers, importers, and purchasers were asked how many months of inventory they prefer to hold.⁹ Six of eight producers reported that they prefer to keep 3 months of inventory on hand. The other three producers prefer to hold less – between 1 and 2 months’ supply. Fourteen of 19 responding importers indicated that they prefer to hold about the same – between 2 and 3 months. The other four importers prefer to hold somewhat more – between 4 and 8 months. Purchasers reportedly prefer to hold between 1 and 6 months of inventory, with an average of 3.3 months. Specifically, two purchasers prefer to hold one month of inventory, 9 prefer two months of inventory, 15 prefer three months, 9 prefer four months, and 6 prefer to hold six months of inventory. Fourteen purchasers have changed these preferred levels since 2011, equally split between those holding more and those holding less. Reasons for holding more inventory included securing program sales, increased demand or drilling activity, increased supply causing longer holding periods, and the mitigation of seamless supply risk due to these investigations. Reasons for holding less inventory included the loss of a program sale, cost cutting (with one purchaser noting that it must cut costs due to “lack of trade protection destroying markets”), better forecasting, and more efficient mill rolling cycles.

Producers, importers, and purchasers were also asked whether the price of OCTG was affected by the levels of inventory on hand held by suppliers, distributors, and end users. All 12 responding producers, 34 of 40 responding importers, and 46 of 51 purchasers replied affirmatively. Most firms described a general oversupply/undersupply relationship between inventory and prices. Producers *** stated that four months, and maybe even three months, indicate a well-balanced market, down from five to six months a few years ago. Importer *** and purchasers *** noted that inventory above 4 or 5 months, respectively, will cause prices to drop. Importer/purchaser *** and importers *** stated that inventories have been at normal levels since 2011 given the current market. Three other purchasers stated that price levels and inventories are related on a per-item basis, not on a general inventory level.

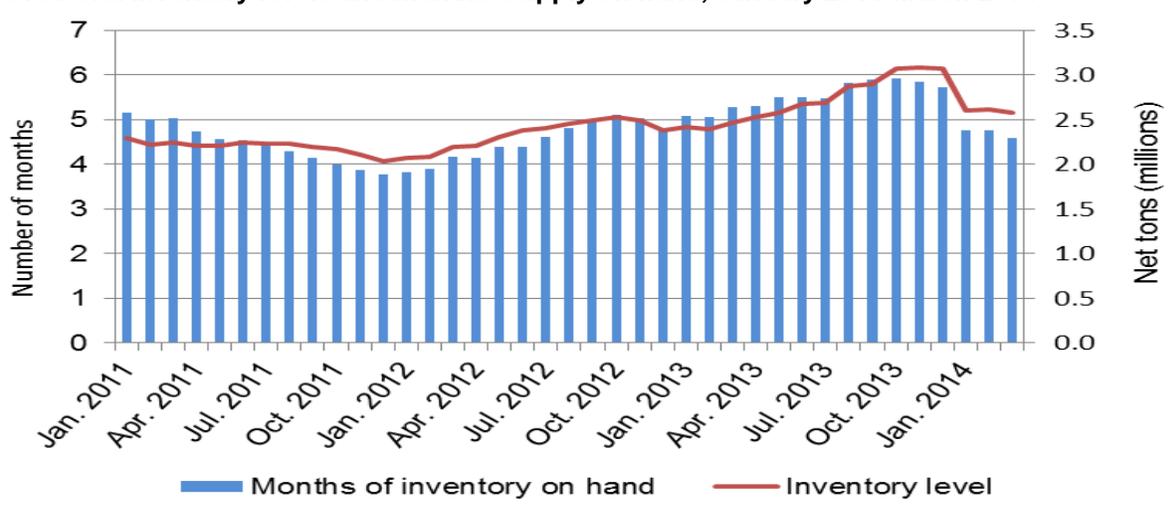
Figure II-1 presents the inventory, in millions of tons and the number of months of inventory on hand (based on operator consumption). The number of months of inventory on hand had reached a peak prior to 2011, reaching over 3.8 million tons (16 months) in early 2009,¹⁰ but then decreased through the end of 2011. Despite purchasers’ desire to hold an average of 3.3 months of inventory, inventories have not reached that level since 2011. Inventory levels reached a trough of 4.2 months in January 2012, but then increased until October 2012. After dipping slightly at the end of 2012, inventories increased until the fourth quarter of 2013 (October for months of inventory, November for tonnage) and then dropped once again in the first quarter of 2014. As of March 2014, inventory levels were 2.6 million short tons, equivalent to 4.6 months’ supply on hand.¹¹

⁹ It should be noted that these data refer to firms’ preference, not their standard business practice.

¹⁰ *Certain Oil Country Tubular Goods from China, Investigation No. 701-TA-463 (Final)*, USITC Publication 4124, January 2010, Figure II-1 and Table II-2.

¹¹ There was also 4.6 months’ of inventory on hand in June 2014. *Preston Pipe & Tube Report*, Preston Publishing, July 2014.

Figure II-1
OCTG: U.S. inventory levels and months' supply on hand, January 2011-March 2014



Source: Preston Publishing Co.

Demand

U.S. demand

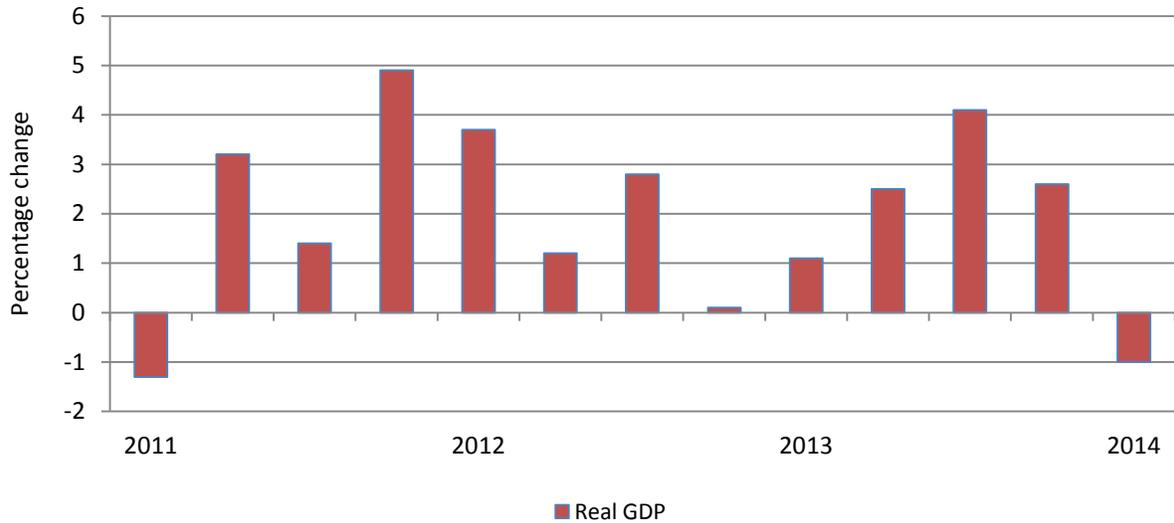
Based on available information, it is likely that changes in the price level of OCTG will result in a small change in the quantity of OCTG demanded. The main contributing factors to the small degree of responsiveness are the lack of substitute products for OCTG and that OCTG represents a small to moderate cost share for most of its end-use products.

Demand determinants

Demand for OCTG is driven by the level of activity in the U.S. economy, and is derived from the demand for hydrocarbon (oil and natural gas) exploration and drilling. The amount of drilling is influenced, at least partially, by the price of oil and natural gas.

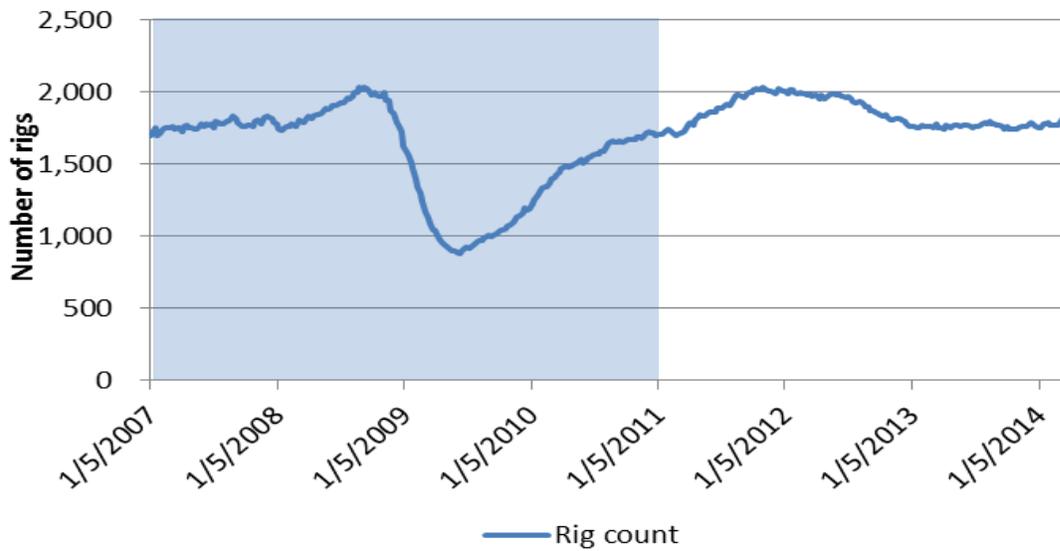
The level of economic activity, as measured by U.S. real GDP, shrank in the first quarter of 2011 (figure II-2). Between the second quarter of 2011 and the fourth quarter of 2013, real GDP increased by 0.1 to 4.9 percent, but shrank by 1.0 percent in the first quarter of 2014. The level of economic activity drives the demand for hydrocarbons, which are produced by oil and gas rigs. In late 2011, the number of rigs reached similar levels to those reached during the 2008 peak (just before the 2008-09) recession, but decreased through 2012 and has leveled off at a similar count to that seen in the years before the pre-recession peak (figure II-3).

Figure II-2
Percent changes in real gross domestic product (GDP) growth, by quarters, January 2011-March 2014



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

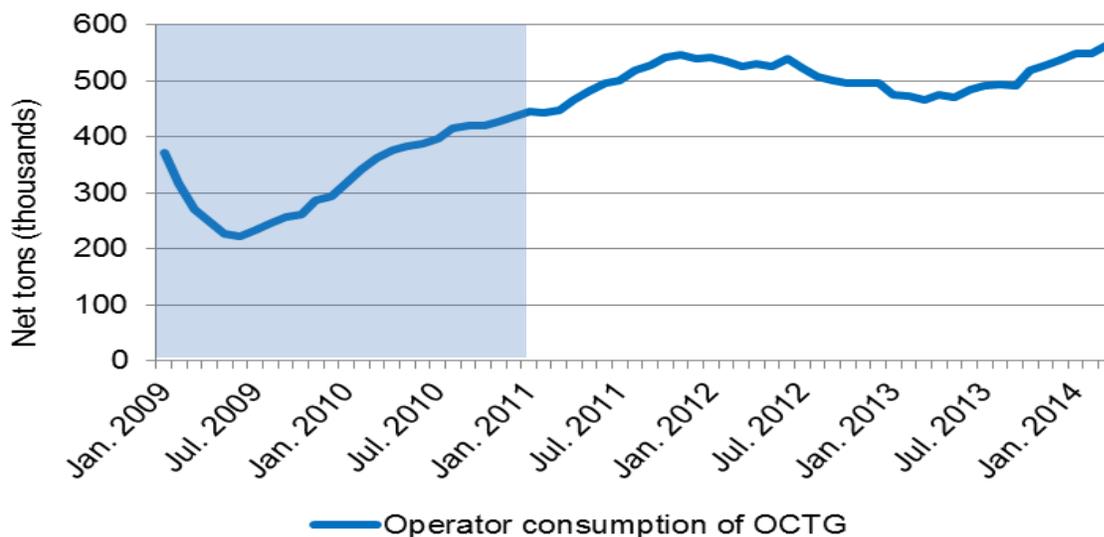
Figure II-3
Baker-Hughes rig count, weekly, January 5, 2007-March 27, 2014



Source: Baker-Hughes North America Rotary Rig Count.

According to data from Preston Publishing, OCTG operator consumption, a measure of tonnage of OCTG used, increased between January 2010 and November 2011, continuing an increasing trend that began in late 2009 as the economy began to recover from the recession. Operator consumption then declined through the first quarter of 2013, but has been generally increasing since that time (figure II-4).¹² OCTG consumption was 17.2 percent higher in the first quarter of 2014 compared with the first quarter of 2013, and was higher than at any point since before the recession.¹³ Operator consumption reached period-highs in 2014, even as the number of rigs leveled off below their 2008 and 2011 peaks.

Figure II-4
OCTG: Operator consumption, monthly, January 2009-March 2014



Source: Preston Publishing Co., various issues, 2011-2013.

As operator consumption has increased, the total production of natural gas and oil has increased as well (figure II-5). Oil production has increased at a faster rate than natural gas production since 2011.

The number of rigs typically responds to the price of natural gas and oil. As the price of oil increased beginning in 2009 (figure II-6), the number and proportion of rigs devoted to oil production increased. Between 2002 and 2009, more than 80 percent of rigs in the United States were gas rigs. This change is seen starting in 2009, and the proportion is now more than 80 percent oil rigs and 20 percent natural gas rigs (figure II-7).

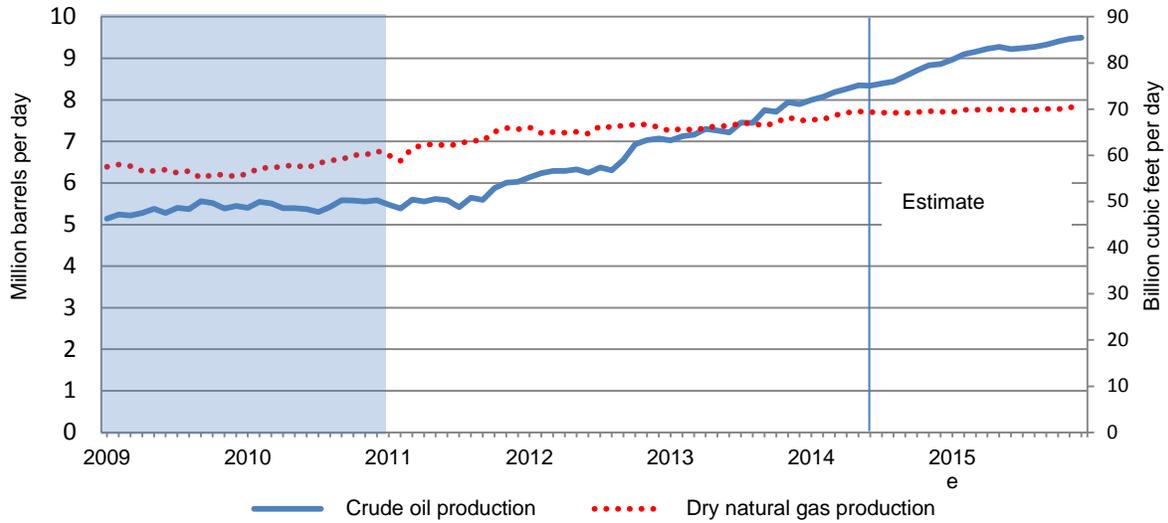
The quantity of OCTG used in oil and natural gas exploration and extraction is determined by the number of rigs that are operating as well as the length and depth of the wells being drilled. Market participants at the preliminary staff conference noted that the increased use of horizontal drilling on shale plays has led to an increased need for OCTG, as some lengths of horizontal wells can reach 2 miles.¹⁴

¹² Shading in the figures identifies periods outside the January 2011-March 2014 time frame.

¹³ *Preston Pipe & Tube Report*, April 2014.

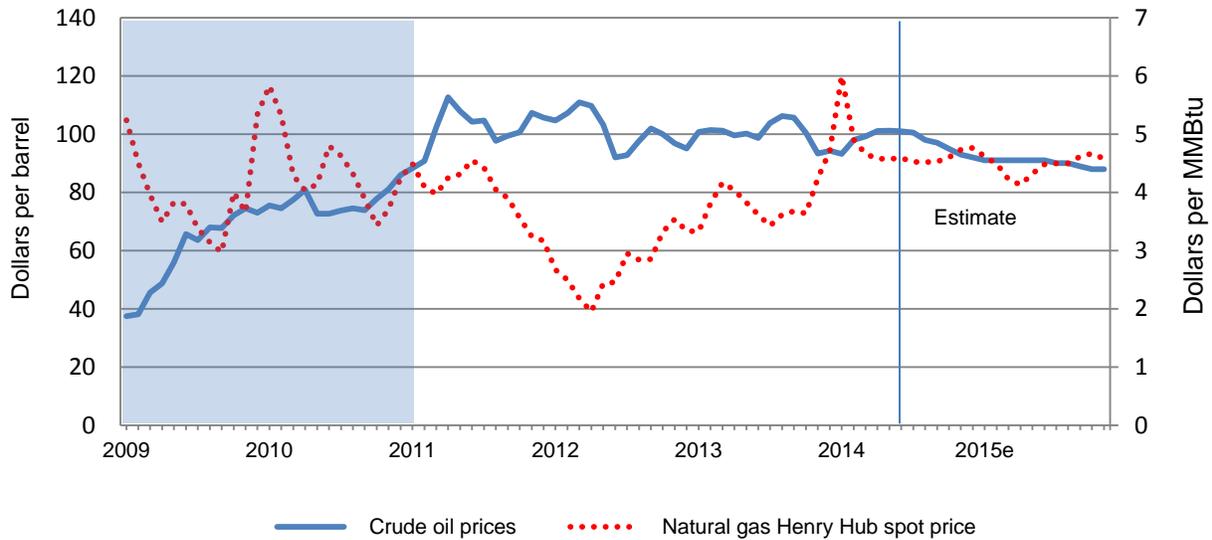
¹⁴ Preliminary conference transcript, p. 263 (Fowler).

Figure II-5
Crude oil and dry natural gas production, monthly, January 2009-May 2014, estimated June 2014-December 2015



Source: Energy Information Administration.

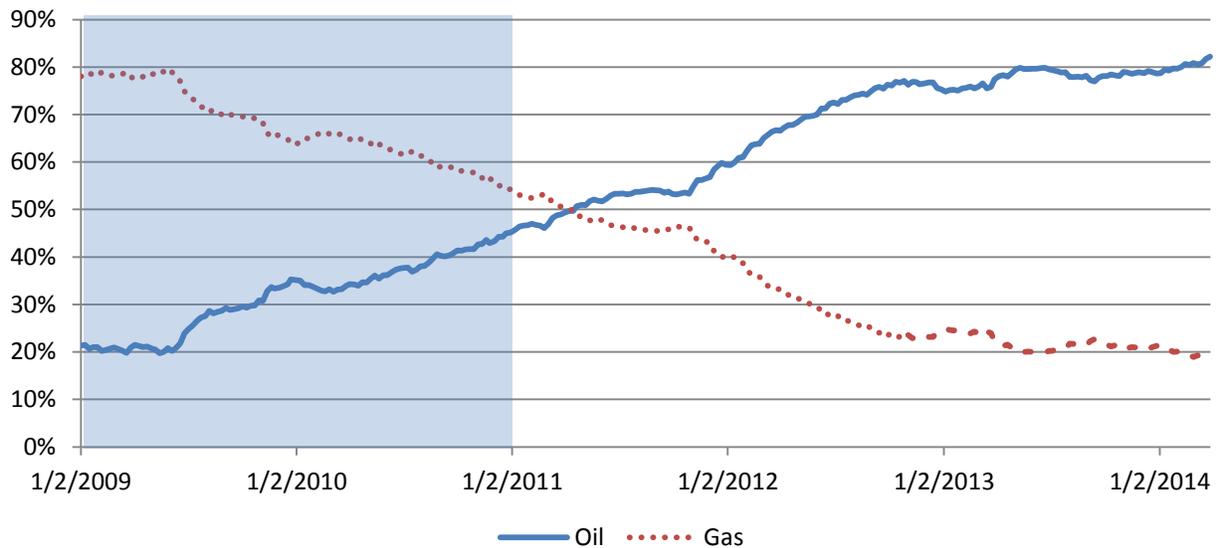
Figure II-6
OCTG: Crude oil (WTI) and natural gas (Henry Hub spot) prices, monthly, January 2009-May 2014, estimated June 2014-December 2015



Source: Energy Information Administration.

Figure II-7

OCTG: Proportion of U.S. rigs devoted to natural gas and oil mining, weekly, January 2009-March 2014

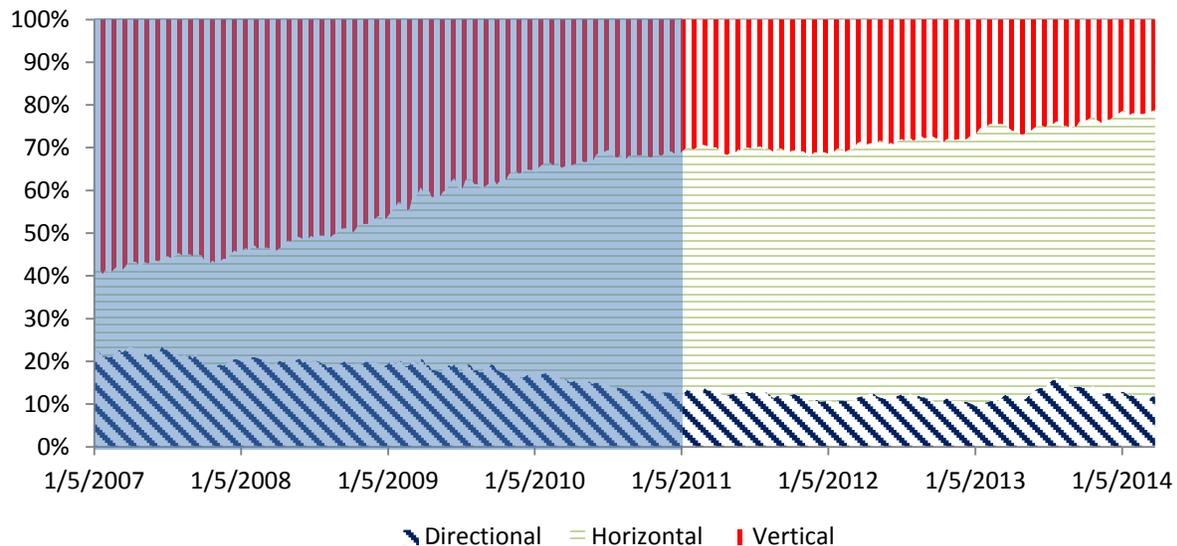


Source: Baker-Hughes North America Rotary Rig Count.

Figure II-8 displays the proportion of rigs by drilling type (i.e., horizontal, vertical, or directional). As shown in this figure, the proportion of rigs that employ horizontal drilling has increased substantially, from 20 percent of total rigs at the beginning of 2007, to more than 56 percent at the beginning of 2010. The proportion continued to climb, reaching 67 percent in March 2014 before declining slightly. Vertical drilling has continued its decline, dropping below 22 percent of rigs in March 2014.

Figure II-8

OCTG: Proportion of U.S. rigs, by drilling type, weekly, January 2007-March 2014



Source: Baker-Hughes North America Rotary Rig Count.

Demand perceptions

When asked how demand for OCTG has changed within the United States since January 2011, the majority of responding producers (10 of 14), importers (29 of 43), and purchasers (32 of 49) reported that demand for OCTG has increased (table II-5). The next most-frequently given response by all three groups was that demand had fluctuated since 2011. Producer *** described 2010 to 2013 as “probably the best four-year period for OCTG demand in this country since the 1980s.”¹⁵ Reasons provided by market participants mostly focused on the development of shale plays, increased drilling, and increased OCTG requirements per rig due to horizontal drilling. *** reported that it estimates that demand in the United States will increase slightly between 2013 and 2014.

Table II-5

OCTG: U.S. producer and importer responses regarding the demand for OCTG in and outside the United States since 2011

Item	Number of firms reporting			
	Increase	No Change	Decrease	Fluctuate
Demand in the United States:				
U.S. producers	10	0	1	3
Importers	29	4	2	8
Purchasers	32	5	5	7
Demand outside the United States:				
U.S. producers	8	1	0	3
Importers	14	5	0	9
Purchasers	9	5	4	9

Source: Compiled from data submitted in response to Commission questionnaires.

Product mix

Producers and importers were asked whether there had been any changes in the product mix of OCTG since 2011. Eleven of fourteen responding producers and 15 of 43 responding importers noted changes since 2011. The majority of responding firms indicated that the increase in demand for OCTG used in horizontal drilling has caused an increase in demand for higher-grade OCTG such as more heat-treated or alloy-grade OCTG. Importer *** stated that it has noticed a change to more seamless OCTG, whereas importer *** and *** reported an increasing acceptance of welded products for the same application as seamless products. Producer *** and importer *** reported that the increase in oil drilling instead of gas drilling contributed to an increased demand for standard API pipe with standard API connections, and these account for 80 percent of U.S. consumption. Producer *** noted that there has been increased demand for smaller-diameter OCTG. Hearing witnesses, producer *** and importer *** both noted increased standardization in casing string designs. This has

¹⁵ *** producer questionnaire response.

decreased the varieties that are demanded, and can lead to distributors stocking fewer items and decreased necessary lead time for distributors.¹⁶

Seasonality and business cycles

Most U.S. producers (11 of 12), but less than half of importers (15 of 37) and purchasers (18 of 38), reported that there are business cycles or seasonality in OCTG demand. In general, demand was noted to be affected by the weather (different areas may have different seasonal demand changes based on temperature and precipitation), as well as budgetary concerns (at the end of the year, exploration budgets may be exhausted and firms may want to seek to reduce tax exposure on inventories located in Houston), and financial matters (oil and gas prices). In contrast, there may be some seasonality with respect to increased drilling in the winter in Canada when ice allows transit to more remote locations.¹⁷

A majority of responding producers (9 of 10) and purchasers (26 of 46), along with 13 of 35 responding importers indicated that there are conditions of competition distinct to the OCTG market as well. The conditions included: the effect of oil and gas prices, the advent of horizontal fracturing, the switch to more drilling for oil instead of gas, fluctuations in U.S. import volumes and the related price effects of such fluctuations, and the amount and types of OCTG used per rig.

Substitute products

Eleven of 12 responding U.S. producers, 37 of 39 responding importers, and 43 of 50 responding purchasers reported that there are no substitutes for OCTG. Importer and producer *** stated that A500 could be used as a limited service casing. Another possible substitute for OCTG is coiled tubing, which could be used in well interventions, completions, and workovers of both new and old wells, as noted by ***.¹⁸ Importer *** stated that line pipe could also be used as a surface casing. Six purchasers noted that in certain situations, line pipe could be used in the place of OCTG, especially for use as a casing.

Cost share

OCTG accounts for a small share of the cost of the end-use products in which it is used. Industry firms gave highly varying answers, however, depending on what firms considered as the end-use product. Producers that noted oil and gas wells/extraction as the end use reported that OCTG accounts for 5 to 15 percent of the cost of oil and gas drilling/extraction. Importers *** also reported OCTG's share in this range.¹⁹ Producer *** stated that Pipe Logix, Inc. estimates that OCTG accounts for approximately 11 percent of total well costs.

¹⁶ Hearing transcript, pp. 84 (Lowe) and 123 (Herald and Thompson).

¹⁷ Preliminary conference transcript, p. 247 (Brewer) and *** producer questionnaire responses.

¹⁸ *** stated, however, that this was very limited and would not likely have any effect on the OCTG market.

¹⁹ Nineteen importers, three producers, and two purchasers stated that OCTG accounts for 100 percent of the cost of end-use application, but noted end use applications such as "tubing," "drilling,"

Demand outside the United States

Most U.S. producers (8 of 12) and importers (14 of 27) reported that demand outside the U.S. market has increased since January 2011. Purchasers were more divided. Nine of 27 responding purchasers reported increased demand, 9 reported fluctuating demand, 5 reported no change, and 4 reported decreased demand outside the United States. While some firms reported the same reasons for increased demand overseas as they reported for the U.S. market, *** noted that there is a flat rig count in Canada. *** stated that it expects increases in some markets but decreases in others, with a slight decline in OCTG demand in 2013 to 2014, although *** expects a slight increase in global demand over 2012 to 2014. Importer *** reported that the international rig count increased 4 percent from January 2011 to March 2014, while *** stated the need for more OCTG per rig. Purchaser *** stated that, "Overall drilling outside the U.S. has not seen as great a focus as the U.S.A. has."

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported OCTG depends upon such factors as relative prices, quality (e.g., physical characteristics, consistency, tubing and casing type and grade, etc.), and conditions of sale (e.g., price discounts/rebates, availability, payment terms, product services, reliability of supply, etc.). Based on available data, staff believes that there is a moderate to high degree of substitutability between U.S.-produced OCTG and that imported from subject countries.

Purchaser characteristics

The Commission sent questionnaires to 123 purchasers. Responses were received from 58 of these firms, 52 of which provided useable data.²⁰ Responding purchasers accounted for 6.7 million short tons of OCTG purchased in the United States in 2013.²¹ The majority of this (58.2 percent) was purchased from domestic producers, 26.4 percent from subject sources, and 15.4 percent was purchased from nonsubject countries.

The supply chain in the OCTG market can vary in length. The majority of purchasers responding the Commission questionnaire are distributors, and a majority (26 of 44) reported that they compete with their own suppliers. Purchasers' customers are mostly oil and gas exploration firms. Although the large majority of producers' and importers' sales are made to distributors, the supply chain could go directly from producers or importers to end users, or through one or more distributors. Additionally, nearly half (19 of 43) of responding importers

"oil and gas rigs," "couplings," or "casing and tubing." Producer *** stated that OCTG accounts for 85 percent of the cost of oil and gas drilling.

²⁰ Thirty-eight of the responding purchasers identified themselves as distributors, 6 as end users, and 10 as "other" purchasers. Among the "other" group, purchasers identified themselves as coupling manufacturers, mills, a processor/finishers, mill representatives, trader/resellers, and an oil and gas producer. Questionnaire respondents that identified themselves as distributors made up 83.7 percent of the volume of purchases, end users made up 10.7 percent, and "others" made up 5.6 percent.

²¹ Since purchasers questionnaires were sent to both distributors (including master distributors) and end users, some of this product could be double-counted. There is no apparent reason to believe that this would cause any shift in percentages attributable to different sources, however.

supply other distributors at least occasionally with OCTG, demonstrating the varied nature of the supply chain.

Thirteen purchasers buy OCTG on a daily basis, 17 on a weekly basis, 16 on a monthly basis, 1 quarterly, 1 annually, and 8 on some other basis (typically “as-needed”). Twenty-two of 52 responding purchasers noted that their purchasing pattern had changed since 2011, and their patterns were varied. Some purchasers noted increased purchases and some noted decreased purchases, while others noted increased frequency to maintain low inventories or decreased frequency due to the optimization of supply chains and material performance. Purchasers reported contacting between 1 and 24 suppliers before purchasing OCTG, but typically between 2 and 6 suppliers are contacted. Since 2011, 28 of 52 responding purchasers became aware of new suppliers in the OCTG market, and 27 of 52 had changed suppliers in that time. These included both foreign and domestic sources. Some purchasers reported that their main suppliers did not change, but additional sources for smaller spot purchases were added.

Knowledge of country sources

Purchasers were asked to indicate the countries of origin for which they have actual OCTG marketing/pricing knowledge. Table II-6 presents how familiar purchasers were with OCTG produced in the United States, subject countries, and nonsubject countries. Overall, purchasers were most familiar with product from the United States and, among countries subject to these investigations, Korea. In contrast, fewer than half of the responding purchasers had any familiarity with OCTG produced in Thailand or the Philippines.

Table II-6
OCTG: U.S. purchaser familiarity with product from the United States, subject countries, and nonsubject countries

Country	Familiarity		
	Significant	Somewhat	None
United States	34	13	4
India	7	31	13
Korea	28	16	7
Philippines	6	19	26
Saudi Arabia	7	22	21
Taiwan	6	21	24
Thailand	4	14	31
Turkey	9	24	19
Ukraine	7	24	20
Vietnam	4	23	22
Nonsubject countries ¹	35	22	--

¹ Purchasers reported “significant” familiarity with nonsubject OCTG from Austria, Belarus, Canada, Germany, Greece, Japan, Russia, and Spain. Purchasers reported they were “somewhat” familiar with nonsubject OCTG from Argentina, Brazil, Canada, China, Czech Republic, Germany, Italy, Japan, Romania, Russia, South Africa, and Spain.

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were also asked how frequently they and their customers made purchasing decisions based on the country of origin or the manufacturer of OCTG (table II-7). The manufacturer of the OCTG is reportedly more important to the purchaser than country of origin, with a majority of purchasers indicating that their decisions are “always” or “usually” based on the manufacturer. Quality, price, consistency, availability, mill relationships, reputation, and location (e.g., being located in North America), delivery performance, contracts, and program sales were noted as reasons for making decisions based on the producer, though quality-related factors were most often noted by those purchasers. A majority of purchasers reported that their customers “usually” or “sometimes” make a purchasing decision based on the manufacturer or country of origin of the OCTG that they buy. The same factors were noted to be important to the purchasers’ customers. Two purchasers stated that price is the deciding factor as long as the quality is acceptable, whereas one stated that if prices are equivalent, then mill reputation could be a deciding factor.

Table II-7
OCTG: Purchaser responses to questions regarding the origin of their purchases

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes purchase decision based on country of origin	13	16	15	8
Purchaser makes purchase decision based on the manufacturer	22	16	11	2
Purchaser’s customer makes purchase decision based on country of origin	6	15	22	4
Purchaser’s customer makes purchase decision based on the manufacturer	7	20	18	2

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers and their customers make the decision somewhat less frequently on country of origin than they did on the manufacturer of the pipe. Purchasers were fairly evenly split among whether they “always,” “frequently,” or “sometimes” purchase based on the country of origin, but their customers are most often only “sometimes” basing their purchase decision on the country of origin. Purchasers reported a preference for domestic OCTG based on criteria such as shorter lead times, more consistent supply, ease of logistics, customer’s acceptance, and support for the domestic industry. Six purchasers’ explanations reflected the importance of the mill over the country of origin. Thirty-three purchasers provided reasons why their customers make decisions based on the country of origin. Of these, three purchasers noted that their customers prefer domestically produced OCTG, and six reported that some customers have preferences against certain countries, with two of these mentioning China and India specifically.

Factors affecting purchasing decisions

Major factors in purchasing

A number of factors influence purchasers' decisions regarding the source of the OCTG they buy. OCTG must meet the required API specification for the project, and must be of an acceptable quality to the purchaser. Some projects require the OCTG be produced by a certain process (i.e., seamless). Lead times and availability were also noted as important factors determining purchasers' sourcing decisions.

Purchasers were asked to identify the three most important factors considered by their firm in deciding from which firm to buy OCTG (table II-8). Quality was the most frequently cited most important factor (cited by 31 purchasers) followed by price (19 purchasers); price was the most frequently reported second- and third-most important factor (16 and 18 purchasers, respectively). Price was reported to be one of the top three factors reported by all 53 of the responding purchasers, and quality was reported to be one of the top three factors reported by 46 firms.²²

Table II-8
OCTG: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by number of reporting firms

Factor	First	Second	Third	Total
Quality	31	8	7	46
Price	19	16	18	53
Availability/production schedule	3	10	9	22
Delivery/dependability/reliability/lead time	1	7	7	15
Product line/range	0	0	4	4
Other ¹	4	7	5	16

¹ Other factors include: approval/acceptance, customer preference, domestic manufacturer, and traditional supplier for the first factors; ability to handle problems, financial strength, performance, physical location of the mill (North America or abroad), service, and "specific item" for the second factor; and country of origin, history of the company, and "market competitive" as the third factors.

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were asked how often they purchase the OCTG that is offered at the lowest price; of the 52 purchasers which responded, 23 firms indicated "usually," 22 firms indicated "sometimes," 5 firms indicated "rarely," and 1 firm each indicated "always" and "never." Forty-six purchasers listed reasons why they purchased higher-priced OCTG even though lower-priced OCTG was available. A broad range of reasons were indicated by purchasers, but were generally the same as those qualities listed in the purchasers' three most important factors when making their decisions (e.g., quality, availability, reliability, delivery, credit terms, U.S. mills). Some purchasers indicated that proprietary or premium connections were another reason and one stated that domestic OCTG has a lower liability risk.

²² Some firms answered more than one factor for one or more of the ranks. All responses were included in these summary statistics.

Purchasing patterns

Purchasers were asked a number of questions about whether their purchasing patterns for OCTG from domestic, subject, and nonsubject sources had changed since 2011 (table II-9). Most purchasers reported that they had not purchased product from the majority of the subject countries. A plurality of purchasers that bought from sources in subject countries reported that their purchases had fluctuated for all of these sources except for those from three Korean sources, Thailand, and smaller Turkish suppliers (i.e., other than Borusan and Yucel). A plurality had increased their purchases from domestic and Korean sources, decreased their purchases from Thailand, and was evenly split between increasing and decreasing purchases from smaller Turkish suppliers.

Table II-9
OCTG: Changes in purchase patterns from U.S., subject, and nonsubject countries since 2011

Source of purchases	Decreased	Increased	Constant	Fluctuated
United States	7	19	11	6
India – GVN Fuels Limited	3	1	2	4
India – Jindal Saw	7	3	1	11
India – Other	5	3	1	13
Korea – Hyundai HYSCO	7	11	4	8
Korea – NEXTEEL	11	13	1	11
Korea – Other	4	20	2	9
Philippines	5	4	6	8
Saudi Arabia	7	3	4	10
Taiwan – Chung Hung	5	2	2	7
Taiwan – Tension	4	4	3	8
Taiwan – Other	3	2	3	8
Thailand	4	1	1	3
Turkey – Borusan	6	7	5	13
Turkey – Yucel	3	1	1	4
Turkey – Other	3	3	0	3
Ukraine	9	2	3	11
Vietnam	8	4	3	11
All other countries	11	6	9	16

Note.—Based on preliminary Commerce findings, purchasers were asked separately for data from certain companies in India, Korea, Taiwan, and Turkey. Data with respect to each firm is presented separately herein to prevent the possible triple-counting of responses.

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers reported buying OCTG at different stages of processing. The majority purchased finished OCTG, but there was a sizeable number that purchased OCTG that was either unfinished and not at API grade, unfinished at API grade but upgradeable, and unfinished at API grade but required end finishing. Whereas purchasers reported buying most OCTG that is finished, unfinished and not at API grade, and unfinished at API grade but requiring end finishing from the United States, the majority purchasing OCTG that is unfinished at API grade but upgradeable did so from countries subject to these investigations. For further detail, see table II-10.

Table II-10
OCTG: Purchasers' sources of supply, by stage of processing and source

Stage of processing	Source			
	United States	Subject countries	Nonsubject countries	All sources
Finished OCTG	39	34	30	45
Unfinished not at API	8	4	4	10
Unfinished at API but upgradeable	4	16	10	19
Unfinished at API but requiring end finishing	23	19	19	35
All others	5	5	2	6

Source: Compiled from data submitted in response to Commission questionnaires.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 18 factors when making their purchasing decisions (table II-11). The factors listed as "very important" by at least half of the responding firms were availability (51 purchasers); product consistency (49 purchasers); price and reliability of supply (47 purchasers each); quality meets industry standards (46 purchasers); delivery time (40 purchasers); quality exceeds industry standards (28 purchasers); technical support (27 purchasers); and delivery terms (26 purchasers).

Table II-11
OCTG: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms

Factor	Very important	Somewhat important	Not important
Availability	51	1	0
Delivery terms	26	24	1
Delivery time	40	10	1
Discounts offered	22	20	9
Extension of credit	19	23	10
Minimum quantity requirements	11	24	16
Packaging	6	20	25
Price	47	4	0
Product consistency	49	2	0
Product range	24	21	7
Program sales	18	16	17
Proprietary connections	14	21	16
Quality exceeds industry standards	28	20	3
Quality meets industry standards	46	5	0
Reliability of supply	47	4	0
Suppliers' U.S. inventory	18	22	11
Technical support/service	27	17	6
U.S. transportation costs	21	22	8

Source: Compiled from data submitted in response to Commission questionnaires.

Factors determining quality

A variety of factors are important to purchasers in determining the quality of the OCTG they purchase. These factors have not only to do with the pipe itself (conformance to API

specifications, mechanical properties, dimensional tolerances, finishing, threading, testing results, number of failures, no transportation damage), but the raw materials used (its metallurgy and the source of the hot-rolled steel used), the mill (its age, type of equipment used to make the OCTG, mill reputation, processes within the mill, historical testing data), and post-sale factors (documentation, end user acceptance, failure rate in the well, manufacturer liability, and claims resolution).

Nineteen of the 52 responding purchasers reported that certain grades/types/sizes/connections of OCTG were available from only one source (either domestic or foreign). Purchasers listed a variety of sizes (e.g., small diameter ERW OCTG from Korea, or large end sizes up to 24" from U.S. Steel), specifications, base metals, (e.g., chrome from Japan and corrosion-resistant alloys), and proprietary connections and threads (e.g., those from Tenaris, TMK IPSCO, U.S. Steel, and Vallourec, OCTG producers that reportedly will not put their proprietary threads on any other mill's products).²³

Supplier certification

Domestic producers noted that suppliers do not need to get certified by individual purchasers.²⁴ Rather, the casing and tubing under consideration must meet the grade standards. As long as a mill's or processor's facility meets the API's specifications, it can be certified to use the API stamp on its products. Receiving API certification typically requires four to nine months, depending on the process for which certification is sought (e.g., threading, heat treatment, or manufacturing).²⁵

Thirty-three of 52 responding purchasers reported they require their suppliers to become certified or pre-qualified in order to sell OCTG to their firm. Factors considered in certification or prequalification include: certifications (ISO and API and/or API 5CT certification); certificate of liability/insurance coverage; customer supplier specification; factors related to the mill (its location, processes, quality, reputation, warranties); meeting financial and governmental requirements; passing independent audits; raw material sourcing; reliability of supply; supplier history; and trials of material from new suppliers. The time to qualify a new supplier ranged from one day to seven months; 11 purchasers reported that it took less than one month, whereas 14 reported that it took three to seven months to qualify a new supplier. Forty-one of the 50 responding purchasers indicated that no domestic or foreign producer had failed in its attempts to certify or qualify OCTG nor had any producers lost their approved status since 2011. Two reported that ISMT of India's quality kept it from qualifying; one reported that Chinese mills' consistency was an issue; one reported that domestic firms Northwest Pipe and Lakeside Steel (EnergeX) did not qualify due to availability/delivery/ dependability and AJU Besteel of Korea did not qualify due to quality concerns. One purchaser did not qualify Jindal Saw of India due to its ***, ***, and quality. Evraz USA failed at one purchaser due to "inconsistencies in ovality and straightness caused issues with threading their materials."

²³ Purchaser *** listed these firms as not using proprietary threading on other firms' OCTG. Petitioners disagree with this assertion, noting that ***. Posthearing brief of Petitioner Group Boomerang et al., p. 7.

²⁴ Conference transcript, p. 120 (Miller and Schagrin).

²⁵ Conference transcript, p. 248 (Brewer).

Another purchaser reported that WSP failed to qualify due to quality concerns. Finally, two purchasers reported broadly that certain countries did not qualify, including the United States, India, Thailand, Turkey, and Vietnam.

Lead times

The majority of domestic production of OCTG (88.3 percent) is made on a produced-to-order basis, including all OCTG sold by ***. Domestic lead times for produced-to-order OCTG ranged between 1 and 4 months, with an average of almost 2 months. For sales from inventory, lead times ranged between 1 and 15 days, averaging 8 days.

A majority of importers' shipments of OCTG (53.5 percent across all named countries) were also made on a produced-to-order basis. However, OCTG from *** were sold from importers' U.S. inventories a majority of the time in 2013 (**% percent of shipments, respectively). Very few imports were sold from foreign inventories, however, with these imports accounting for the greatest share among the nine countries from **, but still accounting for ** percent or less of its imports. Across all subject countries, lead times for produced-to-order OCTG ranged from 3 to 6 months and averaged about 4 months. For those shipped from importers' inventories, lead time ranged between 2 days and 2 months,²⁶ and averaged 26 days across 16 responding importers. Imports shipped from overseas inventories were rare, and data regarding lead times was reported by two importers, who noted lead times of ** days.

Price leadership

Purchasers identified a number of suppliers or countries that exhibited price leadership. U.S. Steel was the firm that was labeled most frequently as a price leader. In all, 22 purchasers indicated that U.S. Steel has been a price leader. Other domestic firms reported by purchasers included TMK-IPSCO (13 purchasers), Tenaris (11),²⁷ Vallourec (10), Northwest Pipe (2), EnergieX (1), and Evraz (1). Among foreign sources, purchasers indicated that sources that either produced in Korea or imported from Korea were price leaders. Although some did not identify specific firms, 18 purchasers identified: Atlas Tubular, Hyundai HYSCO, ILJIN, NEXTEEL, and SeAH. Among Korean mills, NEXTEEL was mentioned most frequently (7 purchasers), with multiple Korean mills or Korean mills in general mentioned slightly less often (6 purchasers). In addition, Trident was named as a price leader by 6 purchasers, and GVN from India and Jesco from Taiwan were named by 1 purchaser each.

²⁶ In addition, one importer, **, reported lead times of 5 months from its U.S. inventories, but did not report lead times for sales from overseas inventories or for produced-to-order OCTG, whereas another, **, reported just-in-time lead times, but did not quantify its response.

²⁷ **.

Comparisons of domestic products, subject imports, and nonsubject imports

Interchangeability

To determine whether U.S.-produced OCTG can generally be used in the same applications as imports from the nine subject countries as well as other countries, U.S. producers and importers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-12, most producers reported that product from all country pairs was “always” or “frequently” interchangeable. A plurality of importers, frequently a majority, also reported that OCTG from all country pairs were “always” interchangeable, with the exception of Korea vs. nonsubject countries, wherein seven importers replied “always” and eight replied “sometimes.” Purchasers’ perceptions were a bit more evenly spread out among “always,” “frequently,” and “sometimes.”

Factors cited by importers as limiting interchangeability included: issues with respect to welded vs. seamless OCTG (noted by 9 importers and 7 purchasers); quality issues (7 importers and 11 purchasers); grades, sizes and connections (7 importers and 6 purchasers); and customer experience and acceptance, as well as producer credibility/reliability (3 importers and 7 purchasers).

Table II-12
OCTG: Interchangeability between OCTG produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. India	12	0	0	0	13	4	8	0	14	13	14	0
U.S. vs. Korea	12	0	0	0	15	4	9	0	18	17	9	1
U.S. vs. Philippines	12	0	0	0	12	5	8	0	12	10	10	1
U.S. vs. Saudi Arabia	12	0	0	0	12	4	7	0	14	9	11	0
U.S. vs. Taiwan	12	0	0	0	11	6	8	0	12	9	13	0
U.S. vs. Thailand	12	0	0	0	13	3	6	0	13	6	9	0
U.S. vs. Turkey	12	0	0	0	11	4	8	0	12	12	13	0
U.S. vs. Ukraine	12	0	0	0	11	5	7	0	13	10	11	1
U.S. vs. Vietnam	12	0	0	0	11	6	6	0	12	9	10	0
Subject vs. subject countries:												
India vs. Korea	11	0	0	0	9	3	7	0	11	16	10	1
India vs. Philippines	11	0	0	0	10	3	5	0	13	10	8	1
India vs. Saudi Arabia	11	0	0	0	9	2	5	0	12	9	11	0
India vs. Taiwan	11	0	0	0	8	3	5	0	12	10	10	0
India vs. Thailand	11	0	0	0	9	2	5	0	13	5	9	0
India vs. Turkey	11	0	0	0	10	4	5	0	12	12	10	0
India vs. Ukraine	11	0	0	0	8	5	4	0	12	11	10	1
India vs. Vietnam	11	0	0	0	9	3	4	0	12	9	7	0
Korea vs. Philippines	11	0	0	0	10	4	7	0	13	11	11	0
Korea vs. Saudi Arabia	11	0	0	0	8	2	7	0	13	10	9	1
Korea vs. Taiwan	11	0	0	0	8	4	7	0	12	11	11	0
Korea vs. Thailand	11	0	0	0	9	2	8	0	12	7	8	0
Korea vs. Turkey	11	0	0	0	9	4	7	0	12	16	8	0
Korea vs. Ukraine	11	0	0	0	8	4	8	0	12	10	10	2
Korea vs. Vietnam	11	0	0	0	9	4	6	0	11	9	10	0
Philippines vs. Saudi Arabia	11	0	0	0	8	3	4	0	11	5	12	1
Philippines vs. Taiwan	11	0	0	0	8	5	4	0	12	10	10	1
Philippines vs. Thailand	11	0	0	0	9	3	4	0	13	6	8	0
Philippines vs. Turkey	11	0	0	0	9	3	6	0	11	9	12	1
Philippines vs. Ukraine	11	0	0	0	8	3	6	0	12	6	11	1
Philippines vs. Vietnam	11	0	0	0	9	4	4	0	12	6	10	0

Table continued on next page.

Table II-12--Continued

OCTG: Interchangeability between OCTG produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
Subject vs. subject countries:												
Saudi Arabia vs. Taiwan	11	0	0	0	8	3	4	0	11	6	13	0
Saudi Arabia vs. Thailand	11	0	0	0	9	3	4	0	12	3	10	0
Saudi Arabia vs. Turkey	11	0	0	0	9	2	6	0	10	6	14	0
Saudi Arabia vs. Ukraine	11	0	0	0	8	5	5	0	11	4	12	1
Saudi Arabia vs. Vietnam	11	0	0	0	8	3	3	0	11	3	10	0
Taiwan vs. Thailand	11	0	0	0	9	2	5	0	14	8	6	0
Taiwan vs. Turkey	11	0	0	0	8	3	6	0	11	11	9	0
Taiwan vs. Ukraine	11	0	0	0	8	2	6	0	12	8	9	1
Taiwan vs. Vietnam	11	0	0	0	8	4	4	0	13	8	8	0
Thailand vs. Turkey	11	0	0	0	9	2	6	0	11	7	9	0
Thailand vs. Ukraine	11	0	0	0	8	2	6	0	12	5	9	1
Thailand vs. Vietnam	11	0	0	0	9	2	4	0	12	7	6	0
Turkey vs. Ukraine	11	0	0	0	8	4	6	0	13	8	10	1
Turkey vs. Vietnam	11	0	0	0	9	3	5	1	12	7	10	0
Ukraine vs. Vietnam	11	0	0	0	8	4	4	0	12	6	10	1
Comparisons with nonsubject countries:												
U.S. vs. nonsubject	11	1	0	0	11	6	6	0	12	16	8	0
India vs. nonsubject	10	1	0	0	7	6	4	0	11	10	9	0
Korea vs. nonsubject	10	1	0	0	7	5	8	0	11	12	9	0
Philippines vs. nonsubject	10	1	0	0	7	5	5	0	10	7	9	2
Saudi Arabia vs. nonsubject	10	1	0	0	7	7	4	0	11	5	10	0
Taiwan vs. nonsubject	10	1	0	0	7	5	5	0	10	6	9	0
Thailand vs. nonsubject	10	1	0	0	7	4	5	0	10	6	7	0
Turkey vs. nonsubject	10	1	0	0	7	6	4	0	12	9	9	0
Ukraine vs. nonsubject	10	1	0	0	7	5	5	0	11	6	9	1
Vietnam vs. nonsubject	10	1	0	0	7	6	5	0	10	5	11	0

Note.—A=Always, F=Frequently, S=Sometimes, N=Never.

Source: Compiled from data submitted in response to Commission questionnaires.

Welded vs. seamless OCTG

There are certain applications in which welded and seamless OCTG cannot be used interchangeably. Seamless OCTG could be used in any application which required welded OCTG.²⁸ The same is not true in reverse for all applications. At a minimum, high stress applications such as sour service in Alaska or drilling in the Gulf, which could account for an estimated 8-10 percent of the market, require seamless OCTG.²⁹ A witness for petitioners estimated that welded OCTG could be used for 70 percent of seamless applications and a witness for respondents noted that they are interchangeable in many cases from an engineering perspective.³⁰ Petitioners further stated that beyond that, the project engineers' preference can be a deciding factor. Witnesses for respondents noted that engineers' preference for a higher-priced seamless product may be due to a preference to reduce risk, in light of incidents such as the BP Macondo oil spill in 2010.^{31 32} At the hearing, respondents noted that seamless OCTG is the standard outside of North America and welded product is not considered, even for U.S. offshore rigs, even though welded OCTG producers argue that it is equal to seamless OCTG.³³

The domestic industry sells both welded and seamless OCTG. However, as noted earlier, most subject countries have typically supplied either seamless or welded OCTG, which may limit substitutability among subject countries.³⁴ Subject countries Saudi Arabia, Thailand, and Ukraine only supplied seamless OCTG, and approximately 80 percent of imports of OCTG from India were seamless. In contrast, the other subject sources shipped 90-100 percent welded OCTG.

Quality

OCTG is typically produced to meet, if not exceed, API specifications. Petitioners contend that if a pipe meets the API specification then it is interchangeable, except for those at the top end of the product range.³⁵ API certification confirms that the pipe meets specifications, but does not imply a level of quality beyond those specifications.³⁶

A large majority of purchasers (46 of 51) indicated that one factor that is "very important" is that the product quality meets industry standards, but a majority (28 of 51) indicated that quality exceeding industry standards is also "very important." Furthermore,

²⁸ Conference transcript, p. 109 (Matthews).

²⁹ Hearing transcript, p. 144 (Schagrin).

³⁰ Conference transcript, pp. 109 (Matthews) and 261 (Brewer).

³¹ Conference transcript, pp. 263-4 (Blomberg and Fowler).

³² Conference transcript, p. 263 (Fowler).

³³ Hearing transcript, pp. 329-330 (Blomberg) and 331 (Scianna).

³⁴ For more information regarding welded vs. seamless OCTG production, see Part III. For more information regarding welded and seamless OCTG production in other countries, see Part VII.

³⁵ Hearing transcript, p. 144 (Schagrin). Whereas counsel for some petitioners describe 90 percent of the OCTG as a "commodity," counsel for others describes it not as a "commodity," but "commodity-like," pp. 145 (Schagrin) and 191 (Price).

³⁶ Conference transcript, p. 249 (Brewer and Cameron).

although pipe may meet API specifications, purchasers noted that their customers have sources that they either prefer or want to avoid, based on quality issues.

Premium connections and alloy grades

A proportion of demand in the United States reportedly requires premium or semi-premium connections or threads.³⁷ Semi-premium and premium threads are used in high-stress applications that need to withstand high torque, high compression, and bending, such as offshore and horizontal drilling. Petitioners stated that demand for these connections is decreasing, however, as more rigs are converted from drilling for gas to drilling for oil.³⁸ Counsel for petitioners estimated that 90 percent of threads are “commodity type,” and that semi-premium or premium threads can be added to welded or seamless pipe from any source, including that from subject countries.³⁹ Another witness testified that his firm had lost a sale of OCTG with semi-premium threading to OCTG imported from Korea.⁴⁰ Purchaser *** stated, however, that domestic producers Tenaris, TMK IPSCO, U.S. Steel, and Vallourec will not add a proprietary thread to any OCTG from any other mill.⁴¹ Petitioners disagree with this assertion, noting that ***.⁴²

Witnesses for respondents at the hearing testified that premium and semi-premium threads and alloy grades are being emphasized by domestic producers, and that “subject imports have essentially no presence in this segment of the market.”⁴³ In its questionnaire response, importer *** indicated that premium connections are not available from Korea.

Purchasers were asked what proportion of OCTG that they purchase has proprietary connections that are required by them or their customers, preferred by them or their customers, or in which they were unrestricted in the connection type for their purchases of OCTG. For seamless OCTG, 37.4 percent of purchases required proprietary connections, 8.3 percent preferred proprietary connections, and 54.2 percent were unrestricted, based on a simple average. A smaller proportion was required for welded OCTG: 14.4 percent of purchases required proprietary connections, 4.2 percent preferred, and 81.4 percent unrestricted.⁴⁴

³⁷ As noted in Part I, proprietary “semi-premium” or “premium” threaded connections provide higher torsional loads, bending resistance, or greater sealability for casing in challenging drilling environments. Premium threaded connections generally refer to OCTG connections that have a metal-to-metal, gas-type seal to ensure pressure integrity. Semi-premium connections generally refer to connections that do not have a metal-to-metal seal, yet maintain water-type sealability, and thus may be used in less demanding wells with no gas-type sealability requirements.

³⁸ Hearing transcript, pp. 194 (Curá) and 195 (Longhi).

³⁹ Hearing transcript, p. 144 (Schagrin).

⁴⁰ Conference transcript, p. 137 (Snyder).

⁴¹ E-mail from ***, June 18, 2014.

⁴² Posthearing brief of Petitioner Group Boomerang et al., p. 7.

⁴³ Hearing transcript, pp. 223-224 (Dougan).

⁴⁴ Based upon a simple average of purchaser responses; a breakdown of purchasers’ seamless vs. welded purchases was not reported.

An increasing focus of domestic OCTG demand has been higher alloy grades of OCTG such as P110.⁴⁵ Respondents at the hearing noted that many of the imports of OCTG from subject countries are not imported at alloy grades. Instead, more basic upgradeable J55 pipe or green tubes are imported and then heat treated to increase the grade to an alloy grade.⁴⁶ For further information regarding pipe processing, grades, and connections, see Part IV.

Program sales

Program sales are non-contractual obligations between mills, distributors, and end users which encompass what type of OCTG is to be supplied, when it will be supplied, and at what price it will be supplied. Program sales can help minimize supply chain disruption. U.S. producers reported that more than half of their 2013 sales were made under program sales. Respondents indicated that there is limited participation in the program sale market.⁴⁷ Further information regarding program sales can be found in Part V.

Purchase factors comparisons

Purchasers were asked a number of questions comparing OCTG produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked to provide a country-by-country comparison for the 18 factors for which they were asked to rate the importance, presented above in table II-11.

When comparing U.S. product to product from subject countries, most responding purchasers reported that the U.S. product was superior to product imported from most subject sources for 11 of the 18 factors, comparable on 5 factors, and inferior on 1 factor (price). Table II-13 presents the data for each of these comparisons with subject sources and all nonsubject sources combined. Table II-14 presents similar data comparing each of the subject sources with each of the other subject and combined nonsubject sources. Whereas purchasers' responses rated most of these sources as comparable for most factors, table II-15 presents a summary of the factors in which a plurality or majority of purchasers rated one of the sources as superior or inferior. All subject countries were rated "superior" on price compared to nonsubject countries.

⁴⁵ Conference transcript, pp. 165 (Fowler) and 188 (Sumer), and "The Five Year Outlook for the Global OCTG Industry," Metal Bulletin Research, 2013.

⁴⁶ Hearing transcript, pp. 230-231 (Scianna) and 325 (Cameron).

⁴⁷ Hearing transcript, pp. 226 (Pi) and 304-305 (Scianna).

Table II-13
OCTG: Purchasers' comparisons of domestic OCTG with subject and nonsubject countries
regarding 18 purchase factors¹

Factor	U.S. vs. India			U.S vs. Korea			U.S vs. Philippines			U.S. vs. Saudi Arabia		
	S	C	I	S	C	I	S	C	I	S	C	I
Availability	22	17	2	15	26	3	19	14	2	18	10	2
Delivery terms	23	17	1	16	25	2	18	15	3	16	13	2
Delivery time	24	13	4	21	19	4	21	11	4	22	7	2
Discounts offered	10	24	7	7	29	7	11	18	7	10	18	3
Extension of credit	12	25	4	8	29	6	12	21	3	9	21	1
Minimum quantity requirements	10	25	6	6	33	4	10	20	6	9	19	3
Packaging	10	30	1	7	36	1	10	24	3	7	23	1
Price	3	1	37	3	8	33	4	2	30	4	3	24
Product consistency	26	12	3	10	32	2	22	13	1	13	18	0
Product range	23	16	2	20	22	2	23	11	2	22	8	1
Program sales	22	13	4	19	21	2	20	10	4	18	10	2
Proprietary connections	32	6	1	32	10	1	29	4	1	24	5	1
Quality exceeds industry standards	27	12	2	14	29	0	23	12	1	16	15	0
Quality meets industry standards	18	20	1	9	34	0	16	17	1	11	18	0
Reliability of supply	23	15	3	12	31	1	19	15	2	20	10	1
Suppliers' U.S. inventories	21	12	7	18	20	5	19	12	4	19	10	2
Technical support/service	28	9	3	27	12	3	25	9	1	24	6	1
U.S. transportation costs	10	28	2	10	32	1	10	24	1	10	21	0
Factor	U.S. vs. Taiwan			U.S vs. Thailand			U.S vs. Turkey			U.S. vs. Ukraine		
	S	C	I	S	C	I	S	C	I	S	C	I
Availability	20	12	3	19	8	2	19	15	3	23	11	4
Delivery terms	17	16	2	17	10	2	19	17	2	18	18	2
Delivery time	21	10	4	18	7	3	24	11	3	24	10	4
Discounts offered	12	20	3	11	14	4	9	25	4	11	23	4
Extension of credit	12	21	2	10	17	2	10	27	1	11	24	3
Minimum quantity requirements	11	18	6	10	14	5	9	26	3	11	22	5
Packaging	10	24	1	9	19	1	8	28	2	10	26	2
Price	5	2	28	4	2	23	4	4	30	8	1	29
Product consistency	22	13	0	20	8	1	19	19	0	25	12	1
Product range	26	8	1	22	6	1	26	11	1	27	10	1
Program sales	22	10	2	19	7	2	21	13	2	24	10	2
Proprietary connections	27	6	0	23	3	1	29	6	1	28	7	1
Quality exceeds industry standards	22	13	0	20	9	0	21	17	0	25	12	1
Quality meets industry standards	11	22	0	12	14	1	12	24	0	16	19	1
Reliability of supply	19	15	1	18	10	1	21	16	1	24	13	1
Suppliers' U.S. inventories	19	11	4	17	8	3	20	13	4	20	12	5
Technical support/service	24	8	2	21	6	1	22	14	1	25	10	2
U.S. transportation costs	11	23	0	11	17	0	12	25	0	12	24	1

Table continued on next page.

Table II-13--Continued

OCTG: Purchasers' comparisons of domestic OCTG with subject and nonsubject countries regarding 18 purchase factors¹

Factor	U.S. vs. Vietnam			U.S. vs. nonsubject countries ²		
	S	C	I	S	C	I
Availability	21	10	2	36	42	1
Delivery terms	18	13	2	27	48	4
Delivery time	23	7	3	51	26	2
Discounts offered	10	19	4	7	63	9
Extension of credit	10	21	2	8	68	3
Minimum quantity requirements	13	14	6	6	65	7
Packaging	10	20	2	6	71	2
Price	5	2	26	4	48	27
Product consistency	22	10	1	12	61	5
Product range	25	7	1	31	44	3
Program sales	22	7	2	30	46	3
Proprietary connections	25	5	1	39	37	0
Quality exceeds industry standards	24	8	1	18	59	2
Quality meets industry standards	12	18	1	7	65	1
Reliability of supply	21	10	1	30	47	2
Suppliers' U.S. inventories	19	9	4	36	35	5
Technical support/service	23	8	1	20	53	6
U.S. transportation costs	12	20	0	14	62	3

¹ A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

² The imports from nonsubject countries that the U.S. product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, South Africa, and Spain.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-14

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	India vs. Korea			India vs. Philippines			India vs. Saudi Arabia		
	S	C	I	S	C	I	S	C	I
Availability	1	19	16	4	25	2	1	27	2
Delivery terms	1	28	7	3	26	2	1	27	2
Delivery time	2	23	12	4	26	2	3	24	3
Discounts offered	2	31	3	1	28	2	0	29	1
Extension of credit	1	32	3	2	28	1	0	28	2
Minimum quantity requirements	1	27	8	2	27	2	0	27	3
Packaging	1	32	3	2	28	1	0	29	1
Price	6	19	11	3	19	9	3	23	4
Product consistency	2	16	18	5	22	4	1	19	10
Product range	4	22	10	6	23	2	3	22	4
Program sales	1	21	13	2	25	3	0	25	5
Proprietary connections	3	25	5	4	23	1	2	24	2
Quality exceeds industry standards	2	20	13	4	22	4	1	21	7
Quality meets industry standards	1	26	9	3	25	3	0	22	8
Reliability of supply	1	20	15	5	23	3	1	24	5
Suppliers' U.S. inventories	1	19	15	4	23	3	1	25	4
Technical support/service	1	21	13	2	25	3	0	26	4
U.S. transportation costs	1	29	5	1	27	2	0	27	3
Factor	India vs. Taiwan			India vs. Thailand			India vs. Turkey		
	S	C	I	S	C	I	S	C	I
Availability	3	26	3	3	22	1	2	25	6
Delivery terms	3	27	2	3	22	1	2	28	3
Delivery time	3	27	2	3	22	1	3	24	6
Discounts offered	2	28	2	2	22	2	2	27	4
Extension of credit	1	30	1	1	24	1	1	28	4
Minimum quantity requirements	1	30	1	1	24	1	1	28	4
Packaging	1	30	1	1	24	1	1	30	2
Price	3	22	7	2	18	6	3	22	8
Product consistency	6	22	4	6	18	2	3	23	7
Product range	6	25	1	4	21	1	5	25	3
Program sales	3	27	1	3	21	1	1	26	4
Proprietary connections	4	24	1	5	17	1	4	23	3
Quality exceeds industry standards	5	22	4	6	16	3	3	25	4
Quality meets industry standards	4	27	1	5	19	1	2	27	4
Reliability of supply	5	23	4	5	19	2	2	26	5
Suppliers' U.S. inventories	3	25	3	3	20	2	2	26	4
Technical support/service	2	27	2	2	22	1	1	26	5
U.S. transportation costs	1	28	2	1	23	1	1	28	3

Table continued on next page.

Table II-14--Continued

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	India vs. Ukraine			India vs. Vietnam			India vs. nonsubject ³		
	S	C	I	S	C	I	S	C	I
Availability	7	23	4	5	25	1	4	38	27
Delivery terms	3	28	3	4	26	1	0	53	16
Delivery time	3	28	3	3	27	1	2	39	28
Discounts offered	2	28	4	1	27	3	1	52	16
Extension of credit	3	28	3	2	28	1	0	53	16
Minimum quantity requirements	3	29	2	1	29	1	1	54	14
Packaging	2	31	1	1	28	1	0	57	11
Price	3	25	6	2	21	8	27	27	15
Product consistency	6	24	4	6	21	4	2	22	44
Product range	7	25	2	9	21	1	8	32	29
Program sales	5	26	2	4	23	2	0	44	25
Proprietary connections	4	26	1	3	24	1	0	33	30
Quality exceeds industry standards	5	25	3	4	23	3	0	25	41
Quality meets industry standards	5	28	1	4	25	2	1	36	32
Reliability of supply	8	24	2	7	22	2	3	33	34
Suppliers' U.S. inventories	6	24	3	5	24	1	6	40	21
Technical support/service	4	27	2	5	24	1	1	27	41
U.S. transportation costs	2	29	2	1	28	1	2	54	13
Factor	Korea vs. Philippines			Korea vs. Saudi Arabia			Korea vs. Taiwan		
	S	C	I	S	C	I	S	C	I
Availability	18	14	0	17	13	0	15	17	0
Delivery terms	9	23	0	9	21	0	10	22	0
Delivery time	10	22	0	9	21	0	10	22	0
Discounts offered	5	26	1	6	24	0	4	27	1
Extension of credit	6	26	0	5	25	0	6	26	0
Minimum quantity requirements	7	25	0	4	26	0	5	27	0
Packaging	5	27	0	5	25	0	4	27	0
Price	3	21	8	13	15	2	2	22	8
Product consistency	15	17	0	8	21	1	15	17	0
Product range	16	16	0	13	15	2	16	16	0
Program sales	14	17	0	13	17	0	14	17	0
Proprietary connections	5	24	0	3	24	1	4	25	0
Quality exceeds industry standards	14	17	0	8	21	0	13	18	0
Quality meets industry standards	12	20	0	7	23	0	12	20	0
Reliability of supply	16	16	0	12	18	0	13	19	0
Suppliers' U.S. inventories	16	14	1	14	15	1	13	17	1
Technical support/service	12	19	0	8	22	0	10	21	0
U.S. transportation costs	5	26	0	5	25	0	4	27	0

³ The imports from nonsubject countries that the India product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, South Africa, and Spain.

Table continued on next page.

Table II-14--Continued

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	Korea vs. Thailand			Korea vs. Turkey			Korea vs. Ukraine		
	S	C	I	S	C	I	S	C	I
Availability	12	13	0	14	19	2	17	16	1
Delivery terms	8	17	0	8	26	1	12	22	0
Delivery time	8	17	0	8	26	1	13	21	0
Discounts offered	6	18	1	5	29	1	8	26	0
Extension of credit	6	19	0	5	30	0	9	25	0
Minimum quantity requirements	6	19	0	6	29	0	9	25	0
Packaging	5	20	0	4	31	0	7	27	0
Price	3	15	7	8	23	4	9	18	7
Product consistency	14	11	0	11	22	2	18	15	1
Product range	12	13	0	13	21	1	14	18	2
Program sales	11	13	0	12	22	0	14	19	0
Proprietary connections	5	17	0	5	27	0	7	22	2
Quality exceeds industry standards	11	13	0	10	23	1	14	18	1
Quality meets industry standards	11	14	0	9	25	1	15	19	0
Reliability of supply	12	13	0	13	21	1	19	15	0
Suppliers' U.S. inventories	12	11	1	14	18	2	15	16	2
Technical support/service	8	16	0	7	24	3	10	23	0
U.S. transportation costs	4	19	0	4	29	1	7	26	0
Factor	Korea vs. Vietnam			Korea vs. nonsubject ⁴			Philippines vs. Saudi Arabia		
	S	C	I	S	C	I	S	C	I
Availability	16	14	0	32	33	0	2	20	5
Delivery terms	11	19	0	11	54	0	0	25	2
Delivery time	13	17	0	21	43	1	1	22	4
Discounts offered	7	22	1	11	53	0	1	24	2
Extension of credit	7	23	0	8	56	0	0	22	5
Minimum quantity requirements	10	20	0	12	52	0	0	24	3
Packaging	6	24	0	7	57	0	0	25	2
Price	3	18	9	44	20	0	12	13	2
Product consistency	17	13	0	13	36	15	1	18	8
Product range	17	13	0	21	26	17	1	20	6
Program sales	16	13	0	13	44	7	0	23	4
Proprietary connections	8	19	0	9	30	22	0	21	4
Quality exceeds industry standards	15	14	0	9	39	14	0	17	9
Quality meets industry standards	13	17	0	8	46	11	0	21	6
Reliability of supply	17	13	0	17	41	7	0	22	5
Suppliers' U.S. inventories	15	13	1	30	34	1	0	20	7
Technical support/service	11	18	0	8	40	17	0	22	5
U.S. transportation costs	7	22	0	10	51	3	0	24	3

⁴The imports from nonsubject countries that the Korea product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, South Africa, and Spain.

Table continued on next page.

Table II-14--Continued

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	Philippines vs. Taiwan			Philippines vs. Thailand			Philippines vs. Turkey		
	S	C	I	S	C	I	S	C	I
Availability	1	26	3	0	24	1	0	24	6
Delivery terms	0	30	0	0	25	0	0	24	5
Delivery time	1	28	1	1	24	0	0	22	8
Discounts offered	0	30	0	0	25	0	0	27	3
Extension of credit	0	27	3	0	24	1	0	25	4
Minimum quantity requirements	0	30	0	0	25	0	0	27	3
Packaging	0	30	0	0	25	0	0	29	1
Price	2	28	0	1	23	0	9	21	0
Product consistency	0	27	3	1	23	1	0	24	6
Product range	0	28	2	1	23	1	1	25	4
Program sales	0	25	3	0	22	1	0	23	5
Proprietary connections	0	26	1	0	21	1	0	24	3
Quality exceeds industry standards	0	26	3	0	23	1	0	23	6
Quality meets industry standards	0	29	1	0	25	0	0	26	4
Reliability of supply	0	27	3	0	25	0	0	24	6
Suppliers' U.S. inventories	0	26	3	0	23	1	0	25	4
Technical support/service	0	27	2	0	23	1	0	23	6
U.S. transportation costs	0	28	1	0	23	1	0	28	1
Factor	Philippines vs. Ukraine			Philippines vs. Vietnam			Philippines vs. nonsubject ⁵		
	S	C	I	S	C	I	S	C	I
Availability	1	25	2	1	27	0	3	27	22
Delivery terms	1	25	2	1	27	0	0	33	18
Delivery time	2	23	3	0	26	2	0	29	22
Discounts offered	1	26	1	0	28	0	0	35	15
Extension of credit	1	25	2	0	28	0	0	35	16
Minimum quantity requirements	1	26	1	0	28	0	3	37	11
Packaging	1	26	1	0	28	0	3	40	8
Price	5	21	2	1	27	0	32	14	5
Product consistency	2	23	3	0	26	2	0	16	35
Product range	1	25	2	0	27	1	2	19	30
Program sales	1	23	2	0	25	1	0	25	25
Proprietary connections	1	22	2	0	24	1	0	20	27
Quality exceeds industry standards	1	24	2	0	26	1	0	14	34
Quality meets industry standards	1	26	1	0	27	1	0	29	22
Reliability of supply	2	24	2	1	26	1	1	21	30
Suppliers' U.S. inventories	1	23	3	0	27	0	3	23	25
Technical support/service	1	24	2	0	26	1	0	17	34
U.S. transportation costs	1	25	1	0	27	0	1	37	13

⁵ The imports from nonsubject countries that the Philippines product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, South Africa, and Spain.

Table continued on next page.

Table II-14--Continued

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	Saudi Arabia vs. Taiwan			Saudi Arabia vs. Thailand			Saudi Arabia vs. Turkey		
	S	C	I	S	C	I	S	C	I
Availability	6	20	2	6	19	0	1	25	4
Delivery terms	3	25	0	3	22	0	1	28	1
Delivery time	4	24	0	3	22	0	2	25	3
Discounts offered	3	25	0	3	22	0	1	28	1
Extension of credit	5	23	0	5	20	0	2	26	2
Minimum quantity requirements	4	24	0	5	20	0	2	26	2
Packaging	3	25	0	3	22	0	1	28	1
Price	1	15	12	0	14	10	1	20	9
Product consistency	10	18	0	9	16	0	5	24	1
Product range	6	20	2	6	18	1	4	22	4
Program sales	3	23	0	3	21	0	1	25	3
Proprietary connections	4	21	0	3	20	0	1	26	1
Quality exceeds industry standards	9	17	0	9	14	0	4	23	1
Quality meets industry standards	7	21	0	8	17	0	4	25	1
Reliability of supply	6	22	0	8	18	0	3	26	1
Suppliers' U.S. inventories	6	22	1	5	20	0	2	23	5
Technical support/service	3	25	0	2	23	0	1	25	4
U.S. transportation costs	3	25	0	3	22	0	1	28	1
Factor	Saudi Arabia vs. Ukraine			Saudi Arabia vs. Vietnam			Saudi Arabia vs. nonsubject ⁶		
	S	C	I	S	C	I	S	C	I
Availability	6	21	3	8	19	1	4	38	23
Delivery terms	4	26	0	4	24	0	1	47	16
Delivery time	5	23	2	6	22	0	3	38	23
Discounts offered	4	25	1	4	24	0	1	48	15
Extension of credit	5	24	1	7	21	0	1	48	15
Minimum quantity requirements	5	24	1	6	22	0	4	45	15
Packaging	4	26	0	4	24	0	2	53	10
Price	2	16	12	1	15	12	30	26	8
Product consistency	11	19	0	12	16	0	3	37	23
Product range	6	21	3	8	18	2	5	34	25
Program sales	5	23	2	4	23	0	2	33	27
Proprietary connections	3	24	1	4	22	0	3	28	27
Quality exceeds industry standards	9	19	1	9	17	1	2	41	18
Quality meets industry standards	9	20	1	10	17	1	4	46	14
Reliability of supply	9	18	3	8	19	1	2	40	22
Suppliers' U.S. inventories	6	22	2	6	21	1	3	35	24
Technical support/service	6	23	1	5	22	1	1	34	29
U.S. transportation costs	4	26	0	4	23	0	3	51	10

⁶ The imports from nonsubject countries that the Saudi Arabia product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, and Spain.

Table continued on next page.

Table II-14--Continued

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	Taiwan vs. Thailand			Taiwan vs. Turkey			Taiwan vs. Ukraine		
	S	C	I	S	C	I	S	C	I
Availability	2	19	1	0	25	4	5	22	2
Delivery terms	0	21	1	0	26	3	1	27	2
Delivery time	1	20	1	0	25	4	2	24	3
Discounts offered	0	21	1	0	27	2	2	25	2
Extension of credit	1	20	1	0	27	2	2	25	2
Minimum quantity requirements	1	20	1	0	28	1	2	26	1
Packaging	0	22	0	0	28	1	1	27	1
Price	2	18	2	6	21	2	4	23	2
Product consistency	1	20	1	1	25	3	3	24	2
Product range	2	19	1	0	27	2	1	26	2
Program sales	1	19	1	1	23	3	2	23	2
Proprietary connections	0	19	1	0	24	2	1	23	2
Quality exceeds industry standards	2	18	1	1	24	3	4	22	2
Quality meets industry standards	2	19	1	1	27	1	4	24	1
Reliability of supply	2	19	1	0	25	4	3	23	2
Suppliers' U.S. inventories	2	19	1	0	24	4	4	23	1
Technical support/service	1	20	1	0	25	3	3	23	2
U.S. transportation costs	0	22	0	0	28	0	1	26	1
Factor	Taiwan vs. Vietnam			Taiwan vs. nonsubject ⁷			Thailand vs. Turkey		
	S	C	I	S	C	I	S	C	I
Availability	5	24	0	4	33	17	1	18	6
Delivery terms	0	29	0	0	38	15	1	20	4
Delivery time	2	27	0	0	29	24	1	19	5
Discounts offered	0	29	0	0	39	14	1	22	2
Extension of credit	1	28	0	0	36	17	1	22	2
Minimum quantity requirements	1	28	0	1	39	13	1	22	2
Packaging	0	29	0	0	44	9	1	23	1
Price	0	28	1	35	14	3	6	17	2
Product consistency	2	27	0	0	20	33	1	18	6
Product range	1	28	0	0	22	31	1	17	7
Program sales	1	26	0	0	29	21	1	19	3
Proprietary connections	0	26	0	0	28	22	0	20	2
Quality exceeds industry standards	2	25	1	0	20	30	1	18	5
Quality meets industry standards	2	27	0	1	35	17	1	21	3
Reliability of supply	2	25	0	0	27	26	1	17	7
Suppliers' U.S. inventories	3	25	0	3	26	24	0	16	8
Technical support/service	2	26	0	0	19	34	1	17	6
U.S. transportation costs	0	28	0	2	41	10	0	22	2

⁷ The imports from nonsubject countries that the Taiwan product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, South Africa, and Spain.

Table continued on next page.

Table II-14--Continued

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	Thailand vs. Ukraine			Thailand vs. Vietnam			Thailand vs. nonsubject ⁸		
	S	C	I	S	C	I	S	C	I
Availability	1	21	3	1	23	1	3	21	18
Delivery terms	1	21	3	1	23	1	0	22	20
Delivery time	1	20	4	2	22	1	0	20	22
Discounts offered	1	22	2	1	23	1	0	25	17
Extension of credit	1	23	1	1	23	1	0	22	20
Minimum quantity requirements	1	23	0	1	23	1	1	24	17
Packaging	1	23	1	1	24	0	0	30	12
Price	5	19	1	2	23	0	28	11	3
Product consistency	1	20	4	1	23	1	0	9	33
Product range	1	20	4	1	23	1	0	15	27
Program sales	1	20	2	1	22	0	0	20	19
Proprietary connections	0	20	2	1	21	0	0	17	22
Quality exceeds industry standards	1	21	2	1	22	1	0	11	28
Quality meets industry standards	2	21	2	1	24	0	0	20	22
Reliability of supply	1	22	2	1	23	1	0	18	24
Suppliers' U.S. inventories	0	21	3	1	22	1	3	15	24
Technical support/service	1	21	2	1	22	1	0	12	30
U.S. transportation costs	0	23	1	1	21	1	2	28	12
Factor	Turkey vs. Ukraine			Turkey vs. Vietnam			Turkey vs. nonsubject ⁹		
	S	C	I	S	C	I	S	C	I
Availability	8	22	1	8	21	0	10	38	18
Delivery terms	3	28	0	3	26	0	3	50	13
Delivery time	5	25	1	9	20	0	4	42	20
Discounts offered	4	27	0	3	26	0	3	49	14
Extension of credit	3	27	1	4	25	0	3	48	15
Minimum quantity requirements	3	26	2	4	25	0	4	49	13
Packaging	3	27	1	3	26	0	3	53	10
Price	3	23	5	1	23	5	36	25	5
Product consistency	5	26	0	6	23	0	3	30	33
Product range	6	23	2	6	23	0	4	30	32
Program sales	3	26	0	5	22	0	3	37	23
Proprietary connections	2	24	2	3	23	0	3	29	31
Quality exceeds industry standards	4	25	1	6	22	0	3	31	27
Quality meets industry standards	5	26	0	5	24	0	4	38	22
Reliability of supply	6	24	1	6	23	0	7	33	24
Suppliers' U.S. inventories	6	22	2	6	22	0	9	34	21
Technical support/service	7	23	0	5	23	0	5	29	30
U.S. transportation costs	3	26	1	2	25	0	5	47	12

⁸ The imports from nonsubject countries that the Thailand product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, and Spain.

⁹ The imports from nonsubject countries that the Turkey product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, South Africa, and Spain.

Table continued on next page.

Table II-14--Continued

OCTG: Purchasers' comparisons of subject and nonsubject countries regarding 18 purchase factors

Factor	Ukraine vs. Vietnam			Ukraine vs. nonsubject ¹⁰			Vietnam vs. nonsubject ¹¹		
	S	C	I	S	C	I	S	C	I
Availability	2	26	1	12	31	22	4	26	23
Delivery terms	2	26	1	2	43	20	0	33	20
Delivery time	4	24	1	6	35	24	0	28	24
Discounts offered	1	27	1	2	41	21	0	32	21
Extension of credit	1	27	1	3	41	21	0	32	21
Minimum quantity requirements	2	26	1	4	40	21	1	34	18
Packaging	1	28	0	2	48	15	0	40	12
Price	3	22	4	38	17	10	36	13	3
Product consistency	2	25	2	3	17	45	0	15	38
Product range	4	24	1	4	22	38	0	20	33
Program sales	2	25	0	2	31	29	0	23	27
Proprietary connections	3	23	0	1	26	32	0	20	30
Quality exceeds industry standards	2	25	1	1	20	41	0	15	35
Quality meets industry standards	1	27	1	1	27	37	0	28	25
Reliability of supply	3	25	1	3	30	32	0	24	29
Suppliers' U.S. inventories	3	24	1	8	28	29	4	20	29
Technical support/service	3	24	1	0	23	41	0	18	35
U.S. transportation costs	0	27	1	2	48	15	4	40	9

¹⁰ The imports from nonsubject countries that the Ukraine product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Russia, South Africa, and Spain.

¹¹ The imports from nonsubject countries that the Vietnam product was compared to were: Argentina, Austria, Belarus, Brazil, Canada, China, Czech Republic, Germany, Greece, Italy, Japan, Mexico, Romania, Russia, South Africa, and Spain.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were asked if they were willing to pay more for OCTG produced domestically than OCTG imported from the subject and other countries. A close majority of purchasers was willing to pay more for domestically produced OCTG than for OCTG from six of the subject countries, but not from Korea, Saudi Arabia, or Turkey. Table II-16 presents their responses per country, along with a range of how much more they would be willing to pay for domestically produced OCTG. The biggest differential was between U.S.-produced OCTG and OCTG imported from Ukraine.⁴⁸ However, a witness for petitioners disagreed with this characterization, stating that, "for like products, for like quality from mills that make commensurate products, there is not a serious or a real measureable increase or premium for domestic product."⁴⁹

⁴⁸ Purchasers were asked to report the minimum and the maximum amount that they would be willing to pay for domestic OCTG. Some firms reported did not list a minimum amount or reported a minimum of as little as 1 percent, but listed a maximum amount. A very low or missing minimum value may reflect that the firm would prefer to pay as little as possible premium to purchase domestic OCTG. The largest maximum amount that a firm would be willing to pay was 100 percent ***.

⁴⁹ Hearing transcript, p. 194 (Miller).

Table II-15
OCTG: Summary of purchaser subject country comparisons in which a plurality or majority of purchasers report one country as superior

Factor	Comparison	Superior Country	Number of purchasers stating		
			Superior	Comparable	Inferior
Availability	Korea vs. Philippines	Korea	18	14	0
	Korea vs. Saudi Arabia	Korea	17	13	0
	Korea vs. Ukraine	Korea	17	16	1
	Korea vs. Vietnam	Korea	16	14	0
Delivery time	Thailand vs. nonsubject	Nonsubject	0	20	22
Price	India vs. nonsubject	India	27	27	15
	Korea vs. nonsubject	Korea	44	20	0
	Philippines vs. nonsubject	Philippines	32	14	5
	Saudi Arabia vs. nonsubject	Saudi Arabia	30	26	8
	Taiwan vs. nonsubject	Taiwan	35	14	3
	Thailand vs. nonsubject	Thailand	28	11	3
	Turkey vs. nonsubject	Turkey	36	25	5
	Ukraine vs. nonsubject	Ukraine	38	17	10
Vietnam vs. nonsubject	Vietnam	36	13	3	
Product consistency	India vs. nonsubject	Nonsubject	2	22	44
	Korea vs. Thailand	Korea	14	11	0
	Korea vs. Ukraine	Korea	18	15	1
	Korea vs. Vietnam	Korea	17	13	0
	Philippines vs. nonsubject	Nonsubject	0	16	35
	Taiwan vs. nonsubject	Nonsubject	0	20	33
	Thailand vs. nonsubject	Nonsubject	0	9	33
	Turkey vs. nonsubject	Nonsubject	3	30	33
	Ukraine vs. nonsubject	Nonsubject	3	17	45
	Vietnam vs. nonsubject	Nonsubject	0	15	38
Product range	Korea vs. Philippines	Korea	16	16	0
	Korea vs. Taiwan	Korea	16	16	0
	Korea vs. Vietnam	Korea	17	13	0
	Philippines vs. nonsubject	Nonsubject	2	19	30
	Taiwan vs. nonsubject	Nonsubject	0	22	31
	Thailand vs. nonsubject	Nonsubject	0	15	27
	Turkey vs. nonsubject	Nonsubject	4	30	32
	Ukraine vs. nonsubject	Nonsubject	4	22	38
	Vietnam vs. nonsubject	Nonsubject	0	20	33
Program sales	Korea vs. Vietnam	Korea	16	13	0
	Philippines vs. nonsubject	Nonsubject	0	25	25
	Vietnam vs. nonsubject	Nonsubject	0	23	27
Proprietary connections	Philippines vs. nonsubject	Nonsubject	0	20	27
	Turkey vs. nonsubject	Nonsubject	3	29	31
	Ukraine vs. nonsubject	Nonsubject	1	26	32
	Vietnam vs. nonsubject	Nonsubject	0	20	30

Table continued on next page.

Table II-15--Continued

OCTG: Summary of purchaser subject country comparisons in which a plurality or majority of purchasers report one country as superior

Factor	Comparison	Superior Country	Number of purchasers stating		
			Superior	Comparable	Inferior
Quality exceeds industry standards	India vs. nonsubject	Nonsubject	0	25	41
	Philippines vs. nonsubject	Nonsubject	0	14	34
	Taiwan vs. nonsubject	Nonsubject	0	20	30
	Korea vs. Vietnam	Korea	15	14	0
	Thailand vs. nonsubject	Nonsubject	0	11	28
	Ukraine vs. nonsubject	Nonsubject	1	20	41
	Vietnam vs. nonsubject	Nonsubject	0	15	35
Quality meets industry standards	Thailand vs. nonsubject	Nonsubject	0	20	22
	Ukraine vs. nonsubject	Nonsubject	1	27	37
Reliability of supply	India vs. nonsubject	Nonsubject	3	33	34
	Korea vs. Philippines	Korea	16	16	0
	Korea vs. Ukraine	Korea	19	15	0
	Korea vs. Vietnam	Korea	17	13	0
	Philippines vs. nonsubject	Nonsubject	1	21	30
	Thailand vs. nonsubject	Nonsubject	0	18	24
	Ukraine vs. nonsubject	Nonsubject	3	30	32
	Vietnam vs. nonsubject	Nonsubject	0	24	29
Suppliers' U.S. inventories	Korea vs. Philippines	Korea	16	14	1
	Korea vs. Thailand	Korea	12	11	1
	Korea vs. Vietnam	Korea	15	13	1
	Philippines vs. nonsubject	Nonsubject	3	23	25
	Thailand vs. nonsubject	Nonsubject	3	15	24
	Ukraine vs. nonsubject	Nonsubject	8	28	29
	Vietnam vs. nonsubject	Nonsubject	4	20	29
Technical support/service	India vs. nonsubject	Nonsubject	1	27	41
	Philippines vs. nonsubject	Nonsubject	0	17	34
	Taiwan vs. nonsubject	Nonsubject	0	19	34
	Thailand vs. nonsubject	Nonsubject	0	12	30
	Turkey vs. nonsubject	Nonsubject	5	29	30
	Ukraine vs. nonsubject	Nonsubject	0	23	41
	Vietnam vs. nonsubject	Nonsubject	0	18	35

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-16

OCTG: Purchasers' willingness to pay for domestically produced OCTG compared with subject and nonsubject countries

Country	Purchasers not willing to pay more	Purchasers willing to pay more	How much more purchasers willing to pay (<i>percent</i>) ¹
India	22	26	6 to 15
Korea	30	19	6 to 16
Philippines	22	25	7 to 15
Saudi Arabia	25	23	5 to 14
Taiwan	22	24	7 to 15
Thailand	20	25	7 to 15
Turkey	25	23	5 to 14
Ukraine	21	27	11 to 19
Vietnam	21	26	7 to 15
Other countries	21	12	3 to 6

¹ This column reflects a simple average of purchasers' responses to the minimum and the maximum amount that purchasers would be willing to pay for domestic OCTG compared with OCTG from the listed country, based on responses from purchasers reporting that they would be willing to pay more.

Note.--The category with the majority of purchasers is listed in **bold**.

Source: Compiled from data submitted in response to Commission questionnaires.

The majority of responding purchasers or their customers (34 of 52) specifically orders OCTG from one country, or one firm or mill, in particular, over other possible sources of supply. Nineteen purchasers reported a preference for domestic OCTG. Among foreign sources, 11 reported ordering OCTG specifically from Korea, 6 from Japan, 4 from Mexico, 3 each from Argentina, Canada, and Germany, 2 each from Austria, Taiwan, and Turkey, and 1 each from Brazil, India, Saudi Arabia, Spain, Vietnam, and "Western Europe."

Differences other than price

Producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of OCTG from the United States, subject, and nonsubject countries. As seen in table II-17, all producers reported that there were either "sometimes" or "never" differences other than price for product from each of the country pairs. Importers' responses were considerably more varied. Few importers reported that there were "always" differences other than price between two countries; rather, responses were split among "frequently," "sometimes," and "never" depending on the comparison, with purchasers most commonly reporting "sometimes." Purchasers more frequently noted that there were "always" differences than "never" differences for each of the subject sources compared with the United States.

Table II-17

OCTG: Significance of differences other than price between OCTG produced in the United States, subject and nonsubject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting				
	A	F	S	N	A	F	S	N	A	F	S	N	
U.S. vs. subject countries:													
U.S. vs. India	0	0	3	9	3	7	8	5	12	13	12	4	
U.S. vs. Korea	0	0	3	9	4	7	11	6	10	9	20	6	
U.S. vs. Philippines	0	0	3	9	2	6	8	6	9	9	10	3	
U.S. vs. Saudi Arabia	0	0	3	9	1	8	7	5	9	8	12	5	
U.S. vs. Taiwan	0	0	3	9	2	7	8	6	9	9	11	3	
U.S. vs. Thailand	0	0	3	9	1	5	8	6	8	8	7	2	
U.S. vs. Turkey	0	0	3	9	1	8	8	5	11	9	14	4	
U.S. vs. Ukraine	0	0	3	9	1	8	7	5	12	10	10	3	
U.S. vs. Vietnam	0	0	3	9	2	6	8	6	8	9	10	2	
Subject vs. subject countries:													
India vs. Korea	0	0	2	8	1	5	5	6	6	11	13	6	
India vs. Philippines	0	0	2	8	0	5	5	6	6	3	12	7	
India vs. Saudi Arabia	0	0	2	8	1	5	3	5	4	6	11	9	
India vs. Taiwan	0	0	2	8	0	5	4	6	5	2	14	7	
India vs. Thailand	0	0	2	8	0	5	4	5	5	2	9	6	
India vs. Turkey	0	0	2	8	1	4	5	7	5	4	12	8	
India vs. Ukraine	0	0	2	8	0	5	3	7	5	4	14	8	
India vs. Vietnam	0	0	2	8	1	3	4	6	5	1	13	6	
Korea vs. Philippines	0	0	2	8	3	4	6	7	6	8	12	4	
Korea vs. Saudi Arabia	0	0	2	8	3	4	5	5	4	8	13	6	
Korea vs. Taiwan	0	0	2	8	3	4	6	7	5	6	14	5	
Korea vs. Thailand	0	0	2	8	3	4	6	5	5	6	8	3	
Korea vs. Turkey	0	0	2	8	2	4	7	6	6	7	14	7	
Korea vs. Ukraine	0	0	2	8	3	5	6	5	6	8	12	5	
Korea vs. Vietnam	0	0	2	8	3	3	6	7	5	5	14	3	
Philippines vs. Saudi Arabia	0	0	2	8	0	4	3	6	4	4	6	7	
Philippines vs. Taiwan	0	0	2	8	0	4	3	9	4	4	8	7	
Philippines vs. Thailand	0	0	2	8	1	3	3	7	4	3	7	6	
Philippines vs. Turkey	0	0	2	8	1	5	4	7	5	4	9	7	
Philippines vs. Ukraine	0	0	2	8	0	6	4	5	5	4	7	7	
Philippines vs. Vietnam	0	0	2	8	1	3	3	8	5	1	9	6	

Table continued on next page.

Table II-17--Continued

OCTG: Significance of differences other than price between OCTG produced in the United States, subject and nonsubject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
Subject vs. subject countries:												
Saudi Arabia vs. Taiwan	0	0	2	8	0	4	4	5	4	5	10	6
Saudi Arabia vs. Thailand	0	0	2	8	0	4	5	5	4	5	7	5
Saudi Arabia vs. Turkey	0	0	2	8	1	4	5	5	4	4	13	7
Saudi Arabia vs. Ukraine	0	0	2	8	0	7	2	6	5	6	9	7
Saudi Arabia vs. Vietnam	0	0	2	8	1	4	3	5	5	2	10	5
Taiwan vs. Thailand	0	0	2	8	0	5	3	6	4	4	6	8
Taiwan vs. Turkey	0	0	2	8	1	5	4	8	4	4	12	7
Taiwan vs. Ukraine	0	0	2	8	0	6	4	5	5	4	10	8
Taiwan vs. Vietnam	0	0	2	8	1	3	4	8	5	1	12	7
Thailand vs. Turkey	0	0	2	8	1	5	3	6	4	4	7	6
Thailand vs. Ukraine	0	0	2	8	0	6	3	5	5	4	5	7
Thailand vs. Vietnam	0	0	2	8	1	3	2	6	5	1	7	6
Turkey vs. Ukraine	0	0	2	8	1	6	4	6	5	3	14	7
Turkey vs. Vietnam	0	0	2	8	2	4	3	7	5	2	12	6
Ukraine vs. Vietnam	0	0	2	8	1	4	4	5	5	2	12	7
Comparisons with nonsubject countries:												
U.S. vs. nonsubject	0	0	3	8	1	7	9	5	8	7	13	6
India vs. nonsubject	0	0	3	7	0	6	5	4	7	5	8	6
Korea vs. nonsubject	0	0	3	7	3	4	7	5	5	3	15	5
Philippines vs. nonsubject	0	0	3	7	0	4	6	5	6	2	5	6
Saudi Arabia vs. nonsubject	0	0	3	7	0	7	5	4	5	2	11	6
Taiwan vs. nonsubject	0	0	3	7	0	5	5	5	5	4	7	6
Thailand vs. nonsubject	0	0	3	7	0	5	5	4	5	3	3	5
Turkey vs. nonsubject	0	0	3	7	1	4	7	3	6	2	11	7
Ukraine vs. nonsubject	0	0	3	7	0	6	5	4	6	3	7	7
Vietnam vs. nonsubject	0	0	3	7	0	5	6	5	5	3	7	6

Note.—A=Always, F=Frequently, S=Sometimes, N=Never.

Source: Compiled from data submitted in response to Commission questionnaires.

ELASTICITY ESTIMATES

This section discusses elasticity estimates for the OCTG market in the United States.

U.S. supply elasticity

The domestic supply elasticity for OCTG measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of OCTG. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the low level of inventories, and a lack of many alternate markets for U.S.-produced OCTG. Earlier analysis of these factors indicates that the U.S. industry has a moderate ability to increase or decrease shipments to the U.S. market; an estimate in the range of 2 to 4 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for OCTG measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of OCTG. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, the level of inventories held, and the component share of OCTG in the production oil and gas exploration and production. Based on the available information, the aggregate demand for OCTG is likely to be moderately inelastic and in a range of -0.75 to -1.0. Purchasers would not likely be very sensitive to changes in the price of OCTG and would continue to demand fairly constant quantities over a considerable range of prices.

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 available information, the elasticity of substitution between domestic and subject imports is likely to be moderate to high and in the range of 3 to 5.

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of 17 firms (including eleven established mills, one firm that was historically a processor but has begun mill operations, and five independent/stand-alone processors) that accounted for the vast majority of U.S. production of OCTG during 2013.

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaire to 13 firms based on information contained in the petition, and to 22 U.S. firms that maintain certification to manufacture or process products in accordance with API specification 5CT. Seventeen firms provided useable data on their productive operations.¹ Staff believes that these responses represent the vast majority of U.S. production of OCTG.

Table III-1 lists U.S. producers of OCTG, their production locations, type of operations at production locations, positions on the petition, total production, and shares of mill production and shares of independent processing (toll and non-toll).

¹ Six firms responded that they did not produce OCTG. *** did not provide usable data. ***.

Table III-1

OCTG: U.S. producers, their positions on the petition, production locations, types of operations, and shares of reported production and processing, January 2011 through March 2014

Firm	Position on petition	Production location(s) and type of operation(s)¹	Share of mill production (percent)	Share of processing (percent)
Boomerang Tube ²	Petitioner	Liberty, TX (pipe forming, heat treatment, and T&C)	***	N/A
Drill Pipe International ³	***	New Hope, MN (heat treatment and T&C)	N/A	***
EnergieX Tube ⁵	Petitioner	Thomasville, AL (heat treatment and T&C) Warren, OH (T&C) Blytheville, AR (pipe forming) Sharon, PA (pipe forming)	***	***
Evrax Rocky Mountain ⁶	***	Pueblo, CO (pipe forming and heat treatment)	***	N/A
Laguna Tubular Products ⁷	***	Houston, TX (heat treatment)	N/A	***
Maverick ⁸	Petitioner (No Position on Saudi Arabia)	Hickman, AR (pipe forming, heat treatment, and T&C) Conroe, TX (pipe forming, heat treatment, and T&C) Texas Arai, TX (T&C) Houston, TX (T&C) Westwego, LA (T&C) Bakersfield, CA (T&C)	***	N/A
Northwest Pipe	Petitioner	Bossier City, LA (pipe forming) Houston, TX (pipe forming)	***	N/A
Paragon Industries	***	Sapulpa, OK (pipe forming and T&C) Muskogee, OK (upstream steel slitting)	***	N/A
RDT ⁹	***	Beasley, TX (heat treatment)	N/A	***
Tejas Tubular	Petitioner	Houston, TX (2 establishments: 2 heat treatment, 2 T&C) Stephenville, TX (pipe forming, heat treatment, and T&C) New Carlisle, IN (heat treatment and T&C)	***	***
Texas Steel Conversion ¹⁰	***	Houston, TX (3 establishments: 3 heat treatment, 1 T&C) Bryan, TX (heat treatment and T&C)	N/A	***
Texas Tubular ¹¹	Support	Lone Star, TX (pipe forming)	***	N/A
TMK IPSCO ¹²	Petitioner	Blytheville, AR (pipe forming, heat treatment, and T&C) Camanche, IA (pipe forming and T&C) Wilder, KY (pipe forming and T&C) Ambridge, PA (pipe forming and heat treatment) Koppel, PA (heat treatment) Baytown, TX (heat treatment and T&C) Catoosa, OK (heat treatment and T&C)	***	N/A
Tubular Services ¹³	***	Houston, TX (heat treatment and T&C) Channelview, TX (heat treatment and T&C)	N/A	***

Table continued on next page.

Table III-1--Continued

OCTG: U.S. producers, their positions on the petition, production locations, types of operations, and shares of reported production and processing, January 2011 through March 2014

Firm	Position on petition	Production location(s) and type of operation(s)¹	Share of mill production (percent)	Share of processing (percent)
U.S. Steel ¹⁴	Petitioner	Fairfield, AL (pipe forming, heat treatment, and T&C) Lorain, OH (pipe forming, heat treatment, and T&C) Lone Star, TX (pipe forming, heat treatment, and T&C) Bellville, TX (pipe forming and T&C) Houston, TX (heat treatment and T&C)	***	N/A
Vallourec ¹⁵	Petitioner (No Position on Saudi Arabia)	Youngstown, OH (pipe forming, heat treatment, and T&C) Houston, TX (heat treatment and T&C) Muskogee, OK (heat treatment and T&C)	***	N/A
Welded Tube USA ¹⁶	Petitioner	Lackawanna, NY (pipe forming)	***	N/A
Total			100.0	100.0

¹ T&C is threading and coupling.

Footnotes 2 through 16 have been redacted.

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table III-1, one U.S. producer, Vallourec, is related to a foreign producer of the subject merchandise. One U.S. producer imports OCTG, and five U.S. producers are related to importers of OCTG – none of which, however, import from subject sources. U.S. producers' imports and U.S. producers' related importers' import data are presented later in this chapter in table III-9.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Overall pipe forming and heat treatment production, capacity, and capacity utilization

U.S. mills and independent/stand-alone processors made a number of investments in their operations which have increased capacity. Several firms invested in new pipe forming mills, heat treatment operations, and other finishing operations. Several firms also made investments to improve existing operations. Table III-2a lists industry events, including investments in equipment, machinery, and capacity reported in the trade press along with information provided in questionnaire responses. Table III-2b lists additional industry events, including information regarding announced investments that have not yet resulted in actual OCTG operations as of March 31, 2014.

Table III-2a

OCTG: Industry events, January 2011 – March 2014

Year	Company	Description of event
2011	Boomerang	Capacity increase: Boomerang Tube begins commercial production of OCTG at its new 400,000 tpy welded tubular products mill in Liberty, TX (\$*** investment. The mill also produces limited quantities of welded line pipe.
	EnergeX	Capacity increase, pipe forming: ***.
	Laguna	New finishing facility, capacity increase in heat treatment: ***.
	Maverick	Capacity increase, pipe forming and heat treatment: ***. ***. ***.
	Northwest Pipe Co.	Capacity increase: Northwest Pipe ramps up production of OCTG and line pipe at its 150,000 tpy rolling mill located in Bossier City, LA. ***.
	OMK	Acquisition: OMK acquires Tubular Solutions, a processing and finishing facility.
	Tejas Tubular	Capacity increase, pipe forming: Tejas Tubular commissions a new welded OCTG rolling mill in Stephenville, TX.
	Texas Steel Conversion	New finishing facility, capacity increase in heat treatment and threading: ***.
	TMK IPSCO (Houston, TX)	Capacity increase, pipe forming, heat treatment, threading and coupling: ***. Capacity increase: ***. Capacity increase, threading: TMK IPSCO announces plans to build an OCTG threading facility at its 570,000 tpy welded rolling mill in Wilder, KY. The facility produces OCTG, line pipe, and standard pipe.
	TMK IPSCO	Idling: ***.
	Tubular Services	New finishing facility, capacity increase in heat treatment: ***.
	U.S. Steel	Capacity increase, heat treatment: U.S. Steel completes the construction of an additional quench and temper line, as well as threading and coupling stations, at its Lorain, OH, rolling mill. The \$*** investment added *** short tons of new heat treating capacity to the facility. Capacity increase, heat treatment and threading: ***. ***.
	2012	Boomerang
Evraz		Other: ***.
JMC Steel Group (parent company of EnergeX)		Acquisition/merger: JMC Steel Group acquires and merges Canadian OCTG producer Lakeside Steel (Welland, Ontario, Canada) with its own tubular assets to form a new division called EnergeX Tube. Lakeside's U.S.-based facilities are located in Thomasville, AL, and Corpus Christi, TX. EnergeX casing and tubing is produced in Thomasville, AL; Warren, OH; and Welland, Ontario, Canada. Shutdown: JMC Steel Group ***.
Paragon		Capacity increase, pipe forming: ***.
Maverick		***
Northwest		Idling/shut down: ***.
RDT		Capacity increase, heat treatment: Built heat treatment operation in 2012-13 for ***.
Tejas Tubular		Capacity increase: Tejas Tubular ***.
TMK IPSCO		Capacity increase: ***. Capacity increase pipe forming and heat treatment: ***.
TMK IPSCO		Consolidation: TMK IPSCO ***. Idling: ***. ***. ***.
U.S. Steel		Joint venture: U.S. Steel and Buth Gilliam Enterprises form a new joint venture, Patriot Premium Threading Services (Midland, TX) to provide OCTG threading and repair services.
Vallourec		New mill, new finishing facility, increase in pipe forming, heat treatment, threading/coupling: ***.

Table continued on next page.

Table III-2a--Continued

OCTG: Industry events, January 2011 – March 2014

Year	Company	Description of event
2013	Boomerang	Capacity increase, threading/coupling: ***.
	EnergeX	Replace/upgrade: ***
		Shutdown: Thomasville, AL South (casing production facility) shutdown in January 2013.
	Northwest	Upgrade: ***.
		Idling/shut down: ***. ***.
	OMK	Capacity increase: United Metallurgical Company (OMK) commissions a 200,000 tpy welded OCTG mill in Houston, TX (\$100 million investment). The rolling mill will produce OCTG in outside diameters ranging from 2.75–7 inches, and will source hot-rolled coil feedstock primarily from local producers.
	Texas Steel Conversion	Capacity increase: Texas Steel Conversion ***.
		Other: ***.
	TMK IPSCO	Other: ***.
		Pipe formation: ***.
	Tubular Services	Capacity increase, heat treatment and threading and coupling: ***.
	U.S. Steel	Acquisition: ***.
Vallourec	End finishing: ***.	
	Capacity increase: Vallourec starts commercial production of seamless OCTG at its new 500,000 tpy seamless rolling mill in Youngstown, OH. Heat treatment and finishing operations begin in 2013.	
Welded Tube USA	Capacity increase: Welded Tube USA, a subsidiary of Canada-based pipe and tube producer Welded Tube of Canada, begins construction of a *** tpy welded OCTG rolling mill in Lackawanna, NY (\$50 million investment). Production of OCTG begins in September 2013.	
2014	Centric Pipe (affiliate of importer SB International)	Acquisition: In March, Centric Pipe, LLC, an affiliate of steel trading company, distributor, and importer SB International, acquires substantially all of Northwest Pipe's OCTG assets for \$42.7 million, including Northwest Pipe's casing mill in Bossier City, LA and its tubing mill in Houston, TX. The two mills have a reportedly combined capacity of 200,000 tpy.
	DPI	Finishing, threading and coupling: \$45,000 for equipment and machinery.
	EnergeX Tube	Heat treatment, capacity increase: ***.
	Northwest	Other: ***. ***.
		Sale: As noted above, in March, Northwest sells its OCTG assets to Centric pipe.
	Texas Steel Conversion	***
	Texas Tubular	New finishing facility, threading: ***.
U.S. Steel	Capacity increase, pipe forming: ***.	

Source: *Metal Bulletin*, various issues; responses to the Commission questionnaire.

Table III-2b
OCTG: Ongoing industry events

Year	Company	Description of event
2011	Tianjin Pipe Corp. (China)	Announcement: Tianjin Pipe Group Corp (TPCO) breaks ground on a 500,000 tpy seamless OCTG mill in Gregory, TX (\$1 billion investment). Finishing and threading operations were expected to be completed by 2013, followed by the construction of a rolling mill and electric arc furnace (EAF) steel-making facility. This project is ongoing
2012	Benteler Steel/Tube (Germany)	Announcement: Benteler Steel/Tube announces plans to build a 320,000 tpy seamless OCTG facility, including a hot-rolling mill and finishing lines, in Caddo, LA (\$975 million investment). A second phase of the mill will include the completion of an EAF mill. Groundbreaking at the facility commences in 2013, with completion of the seamless OCTG facility slated for 2015.
2013	Benteler Steel/Tube (Germany)	Capacity increase: Benteler Steel breaks ground on its 320,000 tpy seamless OCTG facility in Caddo, LA. The seamless hot-rolling mill is expected to become operational by 2015; a planned EAF to produce steel is due to be opened in 2020.
	Big River Steel	Announcement: Big River Steel announces a proposed \$1.1 billion project to produce OCTG, coiled products, and electrical steels in Osceola, AK. The proposed mill would have an annual capacity of 1.7 million short tons for all products.
	Borusan and Mannesmann (Turkey)	Capacity increase: Borusan and Mannesmann breaks ground on a 300,000 tpy welded OCTG mill in Baytown, TX (\$150 million investment). The mill, which will employ 250 workers, is expected to begin production of OCTG in 2015.
	Prolamsa/Axis Pipe and Tube	Capacity increase: Announces plan to build \$120 million pipe and tubular facility in Bryan, TX with a capacity of 300,000+ short tons of ERW energy tubular products.
	PTC Seamless Tube Corp.	Capacity increase: Announces plan to invest \$102 million to retrofit a former production facility in Hopkinsville, KY to produce seamless tubes for the energy industry, including OCTG.
	Tejas Tubular	Capacity increase, heat treatment: Tejas Tubular announces plans to build a 72,000 tpy OCTG heat treatment facility in New Carlisle, IN. The facility will provide heat treatment for well casing in 4.5–9.625 inch OD. Investment is for ***. ***
	Tenaris	Capacity increase: Tenaris announces its intention to build a new seamless OCTG mill in Bay City, TX, expected to be completed by mid-2016. The plant will have an OCTG capacity of 600,000 tpy with heat treatment and premium threading facilities, but no melting capacity. Groundbreaking began in September, with completion scheduled for mid-2016.
2014	Tianjin Pipe Corp. (China)	Announcement: TPCO begins partial commissioning of heat treatment operations at its 500,000 tpy seamless OCTG mill in Gregory, TX.
2014	Alamo Tube	Announcement: Alamo Tube is planning to invest \$62.5 million to build a 250,000 tpy ERW mill near San Antonio, TX. The plant is expected to employ more than 200 workers and will produce tubing currently being used in 80 percent of the new well completions.
	Borusan and Mannesmann (Turkey)	Capacity increase: Borusan and Mannesmann begins commissioning of its cold-rolling mill and threading operations at its 300,000 tpy welded OCTG mill in Baytown, TX. The mill will produce OCTG in 4.5–10.75 inches OD and process plain-end casing imported from its plant in Turkey.
	Centric Pipe (affiliate of importer SB International)	Shutdown: Houston, TX welded tubing mill shut down in March ***.
	Tejas Tubular	Announcement: Tejas is planning to build a *** 150,000 tpy seamless casing, drill pipe, and line pipe facility in Norfolk, NE. The facility is expected to create 200 jobs. ***. ***. ***.
	TMK IPSCO	Production idling: In April, TMK IPSCO idles its 8-inch welded OCTG mill in Wilder, KY and reduces OCTG production at its Blytheville, AK and Camanche, IA facilities.
	U.S. Steel	Idling: U.S. Steel announces in June that in early August it will idle tubular manufacturing facilities in McKeesport, PA and Bellville, TX (identified in table III-1 as an ERW facility producing OCTG), impacting approximately 260 employees.

Source: *American Metal Markets*, *thefabricator.com*, *Metal Bulletin*, various issues; company websites, and responses to the Commission questionnaire.

Table III-3 presents U.S. mills' production, capacity, and capacity utilization of welded and seamless tubular products, as well as overall heat treatment capacity,² production, and capacity utilization.

U.S. producers added 948,733 short tons of shared capacity between 2011 and 2013, with additional shared capacity in the first quarter of 2014. As discussed in table III-2a, much of the new shared capacity was for the production of welded OCTG. However, as discussed in table III-2b, the largest portion of anticipated new shared capacity is for seamless OCTG production, while anticipated new shared capacity for welded OCTG production is smaller and balanced against recent reductions in the form of closures or idling of facilities.

Table III-3

OCTG: U.S. producers' production, capacity, and capacity utilization of welded and seamless tubular products and heat treatment, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
Capacity to produce.--					
Welded tubular products	3,935,834	4,499,145	4,652,567	1,159,220	1,213,870
Seamless tubular products	2,631,085	2,631,085	2,863,085	687,771	696,625
Overall tubular product production capacity	6,566,919	7,130,230	7,515,652	1,846,991	1,910,495
Production.--					
Welded tubular products.--					
OCTG oil/gas well casing and tubing	1,847,690	2,001,581	2,395,225	568,421	642,093
Other welded tubular products	609,210	727,531	689,309	161,936	114,650
All welded products	2,456,900	2,729,112	3,084,534	730,357	756,743
Seamless tubular products.--					
OCTG oil/gas well casing and tubing	1,427,326	1,545,268	1,664,280	421,243	407,397
OCTG coupling stock	53,987	40,763	47,928	5,804	15,188
subtotal, seamless OCTG	1,481,313	1,586,031	1,712,208	427,047	422,585
Other seamless tubular products	422,425	395,760	372,433	94,860	107,488
All seamless products	1,903,738	1,981,791	2,084,641	521,907	530,073
Total welded and seamless production	4,360,638	4,710,903	5,169,175	1,252,264	1,286,816
of which OCTG	3,329,003	3,587,612	4,107,433	995,468	1,064,678
of which other products	1,031,635	1,123,291	1,061,742	256,796	222,138
Ratio (percent)					
Overall capacity utilization.--					
on welded OCTG forming machinery	62.4	60.7	66.3	63.0	62.3
on seamless OCTG forming machinery	72.4	75.3	72.8	75.9	76.1
on all OCTG forming machinery	66.4	66.1	68.8	67.8	67.4

Table continued on next page.

² Heat treatment data presented in III-3 include not only independent processors' data but also data for mills with heat treatment operations.

Table III-3--Continued

OCTG: U.S. producers' production, capacity, and capacity utilization of welded and seamless tubular products and heat treatment, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
Overall heat treatment capacity	3,794,093	4,248,207	4,807,429	1,166,833	1,293,116
Heat treatment of.-- OCTG	2,424,089	2,903,052	3,495,949	806,575	881,447
Other tubular products	66,010	71,306	66,366	18,898	24,136
Overall heat treatment	2,490,099	2,974,358	3,562,315	825,473	905,583
Ratio (percent)					
Overall capacity utilization (heat treatment)	65.6	70.0	74.1	70.7	70.0

Source: Compiled from data submitted in response to Commission questionnaires.

Heat treatment capacity is almost entirely used to heat treat OCTG. Other products produced on the same equipment and machinery used to produce OCTG, such as line pipe, do not undergo heat treatment. Heat treatment of OCTG increased from 2011 to 2013 by 44.2 percent and was 9.3 percent higher in January-March 2014 than in January-March 2013. Of the 3.5 million short tons of heat treated OCTG in 2013, 78 percent was heat treated by mills with their own heat treatment operations and the remaining 22 percent (783,266 short tons) was processed by independent processors, including toll processors.³

OCTG production, capacity, and capacity utilization

Table III-4 presents U.S. producers' OCTG production, capacity, and capacity utilization. Data are presented separately for U.S. mills⁴ and U.S. processors.⁵ U.S. mills' capacity increased by 17.9 percent from 2011 to 2013; the majority of the increase occurred from 2012 to 2013.⁶ Nonetheless, apparent U.S. consumption exceeded mill capacity by approximately one-fifth.

³ Processors include DPI, RDT, Tejas, Texas Steel Conversion, Tubular Services, and Laguna Tubular. ***.***.

⁴ Based on API's definition, the Commission defined pipe forming by mills as the manufacture of casing, tubing, or coupling stock either by the seamless process or by the electric-resistance-welding process ("ERW"). Instruction Booklet, p. 9.

⁵ Based on API's definition, the Commission defined processors as firms that operate facilities capable of heat-treating pipe made by a pipe mill but do not perform the pipe forming manufacturing process. Instruction Booklet, p. 9.

⁶ Reported constraints on mill production include: ***.***.***.***.***.***.***.***.***.***.***.***.***.***.

Reported constraints on heat treatment include: ***.***.***.***.***.***.***.***.***.***.***.

No mill reported decreased capacity from 2011 to 2013. ***. EnergeX reported the *** Vallourec ***, Maverick ***, and U.S. Steel ***. Of the *** firms that reported higher capacity in January-March 2014 compared to January-March 2013, ***. ***.

Table III-4

OCTG: U.S. producers' capacity, production, and capacity utilization, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
U.S. mills': ¹					
Capacity	4,925,253	5,181,573	5,804,450	1,374,216	1,478,139
Production	3,329,004	3,587,613	4,107,433	995,468	1,064,678
Ratio (percent)					
Capacity utilization	67.6	69.2	70.8	72.4	72.0
Quantity (short tons)					
U.S. stand-alone processors':					
Capacity	674,376	996,876	1,093,280	257,642	320,084
Production	512,674	693,525	783,266	175,046	235,359
Ratio (percent)					
Capacity utilization	76.0	69.6	71.6	67.9	73.5
Quantity (short tons)					
U.S. non-toll processors': ¹					
Capacity	***	***	***	***	***
Production (non-toll)	***	***	***	***	***
Ratio (percent)					
Capacity utilization	***	***	***	***	***
Quantity (short tons)					
U.S. toll processors': ¹					
Capacity	***	***	***	***	***
Production (toll)	***	***	***	***	***
Ratio (percent)					
Capacity utilization	***	***	***	***	***

¹ U.S. mills' data relate to the production (pipe forming) of OCTG inclusive of any in house heat treatment, while U.S. stand-alone processors' data relate to their heat treating operations not involved in tolling operations and U.S. toll processors' data relate (primarily but not exclusively) to heat treatment operations under toll contract.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. mills' production of OCTG increased from 2011 to 2013 by 23.4 percent and was 7.0 percent higher in January-March 2014 than in January-March 2013. Of the 12 responding mills, 10 experienced increased production from 2011 to 2013.⁷ Boomerang, Maverick, TMK IPSCO, and Vallourec *** during this period, ***. Seven mills reported higher production in January-March 2014 compared to January-March 2013, three mills reported lower production (one mill, ***).

⁷ Combined production by *** was *** short tons lower in 2013 than in 2011.

U.S. mills' production slightly outpaced their capacity expansions, resulting in higher capacity utilization, rising from 67.6 percent in 2011 to 70.8 percent in 2013. Capacity utilization rates were 72.0 percent in January-March 2014 compared to 72.4 percent in January-March 2013.

U.S. processors' heat treatment capacity passed 1 million short tons 2013, and was 24.2 percent higher in January-March 2014 than in January-March 2013.⁸ These increases reflect increased capacity reported by ***⁹ in 2012, while the increase in capacity from 2012 to 2013 reflects ***.

U.S. processors heat treated 783,266 short tons of OCTG in 2013, and 34.5 percent more in January-March 2014 than in January-March 2013. Toll processors' share of independently heat treated OCTG increased reached *** percent in 2013, and was *** percent in January-March 2014 compared to *** percent in January-March 2013. Toll processors predominantly processed OCTG for the accounts of importers, which accounted for *** percent of their shipments during January 2011-March 2014.

Processors' inclusion in the industry

In the Commission's questionnaire, firms with operations that include heat treatment but not pipe forming were asked to describe the source and extent of their capital and investment, the quantity and type of parts sourced in the United States, the value-added operations performed in the United States, and technical expertise involved in U.S. production activity. Four firms provided responses.

Four firms (***) reported private capital and credit lines as the source of their capital to help finance working capital, expansion projects, and investment in land and equipment. Five firms¹⁰ combined for \$*** in investments in processing equipment and machinery. ***¹¹ ***,¹² ***,¹³ ***,¹⁴ ***,¹⁵ ¹⁶

⁸ Any changes in processors' data using 2011 as a base period are slightly overstated due to ***. The inclusion of ***. ***.

⁹ ***.

¹⁰ ***.

¹¹ *** U.S. producers' questionnaire response, II-3.

¹² *** U.S. producers' questionnaire response, II-3.

¹³ *** U.S. producers' questionnaire response, II-3.

¹⁴ *** U.S. producers' questionnaire response, II-3.

¹⁵ *** U.S. producers' questionnaire response, II-3.

¹⁶ As discussed previously in tables III-2a and III-2b, several mills have invested in heat treatment capabilities. For example, ***. Two mills that came online since 2011 include pipe forming and heat treatment operations, namely, Vallourec's \$1 billion seamless OCTG plant and Borusan's \$150 million welded OCTG plant. Not all mills' operations include heat treatment, however. For example, neither *** nor Alamo's planned \$62.5 million welded pipe mill include heat treatment operations.

In regard to quantity and type of parts sourced in the United States, one firm (***) reported that it sourced heat treatment and temper furnaces, and a straightener in the United States, while another firm (***) reported sourcing green tube from ***.

Four firms described their value-added operations performed in the United States. All four firms (***) reported performing heat treatment on casing or tubing, or both. *** reporting performing inspecting and testing of casing or tubing, or both. *** reported performing threading operations. *** reported performing upsetting operations. *** reported producing couplings. As discussed in greater detail in Part VI, the value added by processors ranges from *** percent to *** percent.

Three firms described the expertise involved in U.S. production activity. *** reported metallurgical personnel and a heat treat equipment operator. *** reported technical expertise in heat treating, inspection, and threading. *** reported having a heat treatment production director and API 5CT quality director.

Finally, as shown in table III-10, in 2013, the six reporting toll and non-toll processors' combined production-related workers was 2,019 compared to the 12 mills with 6,891 production-related workers.

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORTS

Table III-5 presents U.S. mills' U.S. shipments, export shipments, and total shipments. The quantity of these U.S. producers' U.S. shipments of OCTG increased by 19.1 percent from 2011 to 2013 and was 9.2 percent higher in January-March 2014 compared to January-March 2013. Average unit values of U.S. shipments increased from 2011 to 2012 by 2.7 percent, but decreased by 9.9 percent from 2012 to 2013, resulting in an overall decrease of 7.4 percent from 2011 to 2013. The average unit values of U.S. mills' U.S. shipments were 1.2 percent lower in January-March 2014 compared to January-March 2013.

Table III-5

OCTG: U.S. mills' U.S. shipments, export shipments, and total shipments, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
U.S. shipments	3,135,876	3,387,771	3,736,381	870,703	950,579
Export shipments	173,398	209,086	258,589	44,839	83,823
Total shipments	3,309,274	3,596,857	3,994,970	915,542	1,034,402
Value (1,000 dollars)					
U.S. shipments	5,286,771	5,867,506	5,833,652	1,359,773	1,466,007
Export shipments	306,292	360,066	359,637	74,504	107,397
Total shipments	5,593,063	6,227,572	6,193,289	1,434,277	1,573,404
Unit value (dollars per short ton)					
U.S. shipments	1,686	1,732	1,561	1,562	1,542
Export shipments	1,766	1,722	1,391	1,662	1,281
Total shipments	1,690	1,731	1,550	1,567	1,521
Share of quantity (percent)					
U.S. shipments	94.8	94.2	93.5	95.1	91.9
Export shipments	5.2	5.8	6.5	4.9	8.1
Total shipments	100.0	100.0	100.0	100.0	100.0
Share of value (percent)					
U.S. shipments	94.5	94.2	94.2	94.8	93.2
Export shipments	5.5	5.8	5.8	5.2	6.8
Total shipments	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-6 presents U.S. non-toll processors' shipments. The quantity of U.S. non-toll processors' U.S. shipments of OCTG *** percent from 2011 to 2012 but decreased by less than *** from 2012 to 2013, resulting in an overall increase from 2011 to 2013 of *** percent. U.S. shipments were *** in January-March 2014 compared to January-March 2013. The value of U.S. non-toll processors' U.S. shipments of OCTG *** percent from 2011 to 2013, and was *** in January-March 2014 compared to January-March 2013. Average unit values of U.S. shipments *** from 2011 to 2012 by *** percent, *** from 2012 to 2013 by *** percent, resulting in an *** of *** percent from 2011 to 2013. The average unit values of U.S. non-toll processors' U.S. shipments were *** percent *** in January-March 2014 compared to January-March 2013.

Table III-6

OCTG: U.S. non-toll processors' U.S. shipments, export shipments, and total shipments, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table III-7 presents U.S. toll processors' tolling volume and tolling revenue. Tolloed volume grew steadily, increasing from 2011 to 2012 by *** percent and from 2012 to 2013 by *** percent, resulting in an overall increase from 2011 to 2013 of *** percent. Tolling on behalf of importers accounted for *** percent of the increase from 2011 to 2013. Tolling volume was *** percent higher in January-March 2014 compared to January-March 2013. Tolling revenue also grew steadily, increasing from 2011 to 2013 by *** percent; tolling revenue was *** percent higher in January-March 2014 compared to January-March 2013. Tolling processing fees increased from \$*** per short ton in 2011 to \$*** per short ton in 2012 and remained stable in 2013.

Table III-7

OCTG: U.S. toll processors' U.S. shipments for account of U.S. mills, U.S. importers, and other customers, 2011-13, January to March 2013, and January to March 2014

* * * * *

U.S. PRODUCERS' INVENTORIES

Table III-8 presents U.S. mills' and processors' end-of-period inventories and the ratio of these inventories to U.S. mills' and processors' production, U.S. shipments, and total shipments.

Table III-8

OCTG: U.S. producers' inventories, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
U.S. mills' end-of-period inventories	357,030	319,151	365,485	382,283	375,999
Ratio (percent)					
Ratio of inventories to--					
U.S. production	10.7	8.9	8.9	9.6	8.8
U.S. shipments	11.4	9.4	9.8	11.0	9.9
Total shipments	10.8	8.9	9.1	10.4	9.1
Quantity (short tons)					
U.S. processors' end-of-period inventories	***	***	***	***	***
Ratio (percent)					
Ratio of inventories to--					
U.S. production	***	***	***	***	***
U.S. shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

Note.—U.S. processors' inventories include finished and unfinished OCTG. Therefore inventories reported by processors may include both inputs and finished goods.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. PRODUCERS' IMPORTS

One U.S. producer, EnergeX, imported OCTG. Other U.S. producers are not importers, but are related to firms that import OCTG.¹⁷ Table III-9 shows the U.S. production, imports, and ratio of imports to production of these U.S. firms. In addition, three companies reported purchases of imported OCTG countries. *** reported purchases of OCTG imported from India. *** reported purchases of OCTG imported from ***. *** reported purchases of imported OCTG from ***.¹⁸

Table III-9

OCTG: U.S. producers' imports, 2011-13, January to March 2013, and January to March 2014

* * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-10 presents U.S. producers' employment-related data.¹⁹ U.S. mills reported an increase in production and related workers from 2011 to 2012 and a decrease from 2012 to 2013. Overall, U.S. mills' production and related workers increased by 915 (15.3 percent) from 2011 to 2013. U.S. mills employed 332 more production and related workers in January-March 2014 compared to January-March 2013. U.S. mills' increases in employment from 2011 to 2012 track mills' increases in production. However, in 2013, U.S. mills reported 244 fewer employees than in 2012. *** reported higher production in 2013 compared to 2012, but fewer production and related workers.

The two largest toll processors, Texas Steel Conversion and Tubular Services, each had more than *** production and related workers in 2013 and combined had *** workers. Tubular Services accounts for *** percent of the increase in production and related workers from 2011 to 2013, coinciding with its increasing investments in new capacity and increasing production.²⁰

¹⁷ U.S. producer Evraz Rocky Mountain Steel is owned by Evraz Inc., NA, the importer of record. ***. Maverick is related to Tenaris Global Services ("TGS"), the official importer of record. Maverick is separately organized under the Tenaris umbrella from TGS. ***. U.S. producer TMK IPSCO is related through common ownership to TMK NA and TMK IPSCO International, the official importer of record. U.S. producer Vallourec U.S.A. is related through common ownership to importer Vallourec Star. U.S. producer Welded Tube is related to Welded Tube of Canada Corp., the importer of record, and Welded Tube's parent company. ***.

¹⁸ Questionnaire response of ***, II-20. ***.

¹⁹ ***.

²⁰ *** E-mail from ***, May 27, 2014.

Table III-10

OCTG: U.S. producers' employment related data, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
U.S. mills					
Production-related workers (PRWs) (number)	5,976	7,135	6,891	6,760	7,092
Total hours worked (1,000 hours)	13,017	15,059	16,015	3,913	3,973
Hours worked per PRW (hours)	2,178	2,111	2,324	579	560
Wages paid (\$1,000)	369,492	451,581	507,746	110,092	129,040
Hourly wages (dollars per hour)	\$28.39	\$29.99	\$31.70	\$28.13	\$32.48
Productivity (short tons per 1,000 hours)	255.7	238.2	256.5	254.4	268.0
Unit labor costs (dollars per short ton)	\$111	\$126	\$124	\$111	\$121
U.S. non-toll processors					
Production-related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***
Unit labor costs (dollars per short ton)	***	***	***	***	***
U.S. toll processors					
Production-related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***
Unit labor costs (dollars per short ton)	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

PART IV: U.S. IMPORTS, APPARENT U.S. CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

The Commission issued importer questionnaires to 65 firms believed to be importers of subject OCTG, as well as to all U.S. producers of OCTG.¹ Usable questionnaire responses were received from 47 companies, representing 89.4 percent of total imports from all sources in 2013, 67.8 percent of total imports from India, 97.0 percent of total imports from Korea, 90.7 percent of total imports from the Philippines, all imports from Saudi Arabia, 75.8 percent of total subject imports from Taiwan, 27.5 percent of total imports from Thailand, 82.7 percent of total imports from Turkey, all imports from Ukraine, 87.0 percent of total imports from Vietnam, and 88.4 percent of total imports from all other sources under relevant HTS statistical reporting numbers, as adjusted.² Table IV-1 lists all responding U.S. importers of OCTG from the nine subject sources and other sources, their locations, their sources of imports, and their shares of U.S. imports from subject sources, nonsubject sources, and total imports during January 2011 through March 2013.

¹ The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of proprietary data from by U.S. Customs and Border Protection (“Customs”), were believed to import OCTG.

² The relevant statistical reporting numbers appear in Part I of this report. Official Commerce statistics were adjusted using questionnaire response data to include imports of OCTG under HTS statistical reporting numbers other than those specified for casing and tubing.

Table IV-1
OCTG: U.S. importers, sources of imports, U.S. headquarters, and shares of imports, January 2011 through March 2014

Firm	Headquarters	Sources of imports	Share of imports by source (percent)		
			Subject sources	Nonsubject sources	Total imports
AJU Besteel USA Inc. ¹	Houston, TX	***	***	***	***
ArcelorMittal International America, LLC ²	Chicago, IL	***	***	***	***
Bell Supply ³	Gainesville, TX	***	***	***	***
Benteler Steel & Tube Corporation ⁴	Houston, TX	***	***	***	***
Borusan Mannesmann Pipe U.S., Inc. ⁵	Houston, TX	***	***	***	***
C&F International Incorporated ⁶	Houston, TX	***	***	***	***
Commercial Metals Company	Irving, TX	***	***	***	***
Daewoo International (America) Corp. ⁷	Teaneck, NJ	***	***	***	***
Dongbu USA, Inc. ⁸	Torrance, CA	***	***	***	***
DSL Corporation	Houston, TX	***	***	***	***
Duferco Steel Inc. ⁹	Matawan, NJ	***	***	***	***
EnergeX Tube ¹⁰	Chicago, IL	***	***	***	***
EVRAZ Inc. NA ¹¹	Chicago, IL	***	***	***	***
Fremak Industries	New York, NY	***	***	***	***
Hanwa American Corporation ¹²	Houston, TX	***	***	***	***
HUSTEEL USA, INC. ¹³	Houston, TX	***	***	***	***
Hyundai HYSCO USA, INC. ¹⁴	Houston, TX	***	***	***	***
Iljin Steel Corporation ¹⁵	Korea,	***	***	***	***
IMCO International Inc.	Burlington, ON	***	***	***	***
Jindal SAW Limited (Seamless Tube Division) ¹⁶	Nashik, MH	***	***	***	***
Kumkang Kind USA, Inc.	Brea, CA	***	***	***	***
Kurt Orban Partners LLC	Burlingame, CA	***	***	***	***
Marubeni-Itochu Tubulars America Inc. ¹⁷	Houston, TX	***	***	***	***
NEXTEEL America, LLC ¹⁸	Houston, TX	***	***	***	***
North American Interpipe, Inc. ¹⁹	Houston, TX	***	***	***	***
Okaya U.S.A., Inc. ²⁰	Houston, TX	***	***	***	***
OMK North America, Inc. ²¹	Houston, TX	***	***	***	***
Optima Steel International, LLC	Concord, CA	***	***	***	***

Table continued on next page.

Table IV-1--Continued

OCTG: U.S. importers, sources of imports, U.S. headquarters, and shares of imports, January 2011 through March 2014

Firm	Headquarters	Sources of imports	Share of imports by source (percent)		
			Subject sources	Nonsubject sources	Total imports
Salzgitter Mannesmann International (USA), Inc. ²²	Houston, TX	***	***	***	***
Samsung C&T America, Inc. ²³	Ridgefield Park, NJ	***	***	***	***
SB International, Inc. ²⁴	Dallas, TX	***	***	***	***
SDB Trade International, LP ²⁵	Pasadena, TX	***	***	***	***
SeAH Steel America, Inc. ²⁶	Santa Fe Spring, CA	***	***	***	***
Standard Tube Company	Houston, TX	***	***	***	***
Stemcor USA Inc. ²⁷	New York, NY	***	***	***	***
Sumitomo Corporation of America ²⁸	Houston, TX	***	***	***	***
Tata Steel International (Americas) Inc. (TSIA) ²⁹	Schaumburg, IL	***	***	***	***
Tata Steel International (North America) Ltd. ³⁰	Schaumburg, IL	***	***	***	***
Tenaris Global Services USA ³¹	Houston, TX	***	***	***	***
ThyssenKrupp Materials NA, Inc. ³²	Southfield, MI	***	***	***	***
TMK NA and TMK IPSCO International ³³	Houston, TX	***	***	***	***
Toyota Tsusho America, Inc. ³⁴	Georgetown, KY	***	***	***	***
Vallourec USA Corporation ³⁵	Houston, TX	***	***	***	***
Varsun eTechnologies Group, Inc.	Orange, CA	***	***	***	***
Voest-Alpine Tubular Corporation ³⁶	Houston, TX	***	***	***	***
Welded Tube of Canada Corp ³⁷	Concord, ON	***	***	***	***
WSP Houston OCTG ³⁸	Houston, TX	***	***	***	***
Total			***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Footnotes 1 through 38 have been redacted.

U.S. IMPORTS

Table IV-2 presents data for U.S. imports of OCTG from subject sources.

Table IV-2
OCTG: U.S. imports, by source, 2011-13, January to March 2013, and January to March 2014

Source	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	23,933	69,757	73,969	12,030	17,794
Saudi Arabia	***	***	***	***	***
Taiwan ¹	***	***	***	***	***
Thailand	6,135	31,833	33,741	3,424	11,911
Turkey	140,806	151,576	133,773	24,217	34,158
Ukraine	***	***	***	***	***
Vietnam	56,697	219,997	144,871	31,876	2,757
Subtotal	***	***	***	***	***
All other sources ²	***	***	***	***	***
Total imports	2,839,740	3,570,796	3,242,306	734,735	890,275
Value (1,000 dollars)					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	21,542	64,567	60,391	9,784	13,739
Saudi Arabia	***	***	***	***	***
Taiwan ¹	***	***	***	***	***
Thailand	8,053	43,815	39,752	4,593	16,280
Turkey	133,698	144,280	114,981	22,481	29,012
Ukraine	***	***	***	***	***
Vietnam	53,923	201,905	119,291	26,414	3,144
Subtotal	***	***	***	***	***
All other sources ²	***	***	***	***	***
Total imports	3,981,070	5,053,876	3,997,131	952,338	1,067,990

Table continued on next page.

Table IV-2--Continued

OCTG: U.S. imports, by source, 2011-13, January to March 2013, and January to March 2014

Source	Calendar year			January to March	
	2011	2012	2013	2013	2014
Unit value (dollars per short ton)					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	900	926	816	813	772
Saudi Arabia	***	***	***	***	***
Taiwan ¹	***	***	***	***	***
Thailand	1,313	1,376	1,178	1,341	1,367
Turkey	950	952	860	928	849
Ukraine	***	***	***	***	***
Vietnam	***	***	***	***	***
Subtotal	***	***	***	***	***
All other sources ²	***	***	***	***	***
Total imports	1,402	1,415	1,233	1,296	1,200
Share of quantity (percent)					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	0.8	2.0	2.3	1.6	2.0
Saudi Arabia	***	***	***	***	***
Taiwan ¹	***	***	***	***	***
Thailand	0.2	0.9	1.0	0.5	1.3
Turkey	5.0	4.2	4.1	3.3	3.8
Ukraine	***	***	***	***	***
Vietnam	***	***	***	***	***
Subtotal	44.7	49.6	54.8	57.3	52.0
All other sources ²	***	***	***	***	***
Total imports	100.0	100.0	100.0	100.0	100.0

¹ Data for Taiwan exclude imports from nonsubject supplier Chung Hung.

² Data for all other sources include imports from nonsubject Taiwan supplier Chung Hung.

Source: Official imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150 with adjustments based on data submitted in response to Commission questionnaires. Official import statistics reported through to December 2013 reflect revisions available as of July 2014.

Table IV-3 presents data for U.S. imports of OCTG from nonsubject sources.

Table IV-3
OCTG: U.S. imports from nonsubject sources, 2011-13, January to March 2013, and January to March 2014

Source	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
U.S. imports from.-- Taiwan (Chung Hung)	***	***	***	***	***
Argentina	119,362	138,985	206,359	45,692	37,442
Austria	118,572	108,933	107,904	25,088	28,618
Canada	409,964	409,681	311,532	84,713	86,178
Germany	107,632	163,797	127,865	32,597	26,353
Japan	148,812	228,201	164,916	39,824	42,337
Mexico	197,508	153,524	151,420	24,801	62,120
All other sources	367,955	458,111	279,276	48,303	108,616
Nonsubject adjustment based on questionnaire data, specific source unknown	57,929	104,055	89,796	8,028	32,103
Total nonsubject imports	***	***	***	***	***
Share of total imports (percent)					
U.S. imports from.-- Taiwan (Chung Hung)	***	***	***	***	***
Argentina	4.2	3.9	6.4	6.2	4.2
Austria	4.2	3.1	3.3	3.4	3.2
Canada	14.4	11.5	9.6	11.5	9.7
Germany	3.8	4.6	3.9	4.4	3.0
Japan	5.2	6.4	5.1	5.4	4.8
Mexico	7.0	4.3	4.7	3.4	7.0
All other sources	13.0	12.8	8.6	6.6	12.2
Nonsubject adjustment based on questionnaire data, specific source unknown	2.0	2.9	2.8	1.1	3.6
Total nonsubject imports	***	***	***	***	***

Source: Official imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150 with adjustments based on data submitted in response to Commission questionnaires. Official import statistics reported through to December 2013 reflect revisions available as of July 2014.

CRITICAL CIRCUMSTANCES

On July 18, 2014, Commerce issued its final determinations for these investigations, which included affirmative determinations of critical circumstances for several sources.³ In its final countervailing duty determination for India, Commerce determined that critical circumstances exist with regard to imports from India of OCTG from Jindal SAW and from all other producers other than GVN Fuels Limited and its cross-owned producers Maharashtra Seamless Limited and Jindal Pipes Limited (GVN/MSL/JPL).⁴ Table IV-4 presents monthly data of imports of OCTG by U.S. importer Jindal SAW and all other producers other than GVN/MSL/JPL, for the six-month periods before and after the filing of the petition on July 2, 2013 (January 2013 through June 2013 and July 2013 through December 2013), as well as end-of-period inventories.

In its final countervailing duty determination for Turkey, Commerce determined that critical circumstances exist with regard to imports of all OCTG from Turkey.⁵ Table IV-5 presents monthly data of imports of OCTG by U.S. importers from Turkey, for the six-month periods before and after the filing of the petition on July 2, 2013, as well as end-of-period inventories. In its final determination of sales at less than fair value for Turkey, Commerce determined that critical circumstances exist with regard to imports from Turkey from all producers and exporters other than Borusan and Yucel.⁶ Table IV-6 presents monthly data of imports of OCTG by U.S. importers from Turkey from producers and exporters other than Borusan and Yucel, for the six-month periods before and after the filing of the petition on July 2, 2013, as well as end-of-period inventories.

In its final determination of sales at less than fair value for Vietnam, Commerce determined that critical circumstances exist for from the Vietnam-wide entity, excluding SeAH

³ When petitioners file timely allegations of critical circumstances, Commerce examines whether there is a reasonable basis to believe or suspect that (1) either there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales; and (2) there have been massive imports of the subject merchandise over a relatively short period.

⁴ *Certain Oil Country Tubular Goods From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances*, 79 FR 41967, July 18, 2014.

⁵ *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 41964, July 18, 2014.

⁶ *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances, in Part*, 79 FR 41971, July 18, 2014.

Steel VINA Corp.⁷ Table IV-7 presents monthly data of imports of OCTG by U.S. importers from Vietnam, excluding SeAH Steel VINA Corp., for the six-month periods before and after the filing of the petition on July 2, 2013, as well as end-of-period inventories.

Where Commerce has made affirmative final critical circumstances determinations, and if the Commission makes affirmative critical circumstances findings, certain subject imports from India may be subject to countervailing duties retroactive by 90 days from December 23, 2013, the effective date of Commerce's preliminary CVD determination. Subject imports from Turkey may be subject to countervailing duties retroactive by 90 days from July 18, 2014, the effective date of Commerce's final CVD determination.⁸ Further, certain subject imports may be subject to LTFV duties retroactive by 90 days from February 25, 2014, the effective date of Commerce's preliminary affirmative LTFV determinations.

Table IV-4
OCTG: U.S. imports and end-of-period (EOP) inventories from India excluding GVN, Maharashtra, and Jindal, by month, January 2013 through June 2013 and July 2013 through December 2013

* * * * *

⁷ *Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 41973, July 18, 2014.

⁸ Commerce preliminarily made a negative countervailing determination for Turkey. *Certain Oil Country Tubular Goods From the Republic of Turkey: Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 78 FR 77420, December 23, 2013.

Table IV-5
OCTG: U.S. imports and end-of-period (EOP) inventories from Turkey, by month, January 2013 through June 2013 and July 2013 through December 2013

Month	U.S. imports from Turkey	
	Quantity (short tons)	Share of total (percent)
2013:		
January	17,615	13.2
February	6,602	4.9
March	0	0.0
April	20,090	15.0
May	13,054	9.8
June	1,812	1.4
Subtotal, six months preceding the petition	59,173	44.2
July	12,240	9.1
August	10,897	8.1
September	15,887	11.9
October	13,039	9.7
November	4,825	3.6
December	17,711	13.2
Subtotal, six months following the petition	74,599	55.8
Total imports 2013	133,773	100.0
	Calendar year	
Item	2012	2013
U.S. importers' EOP inventories	***	***

Note.-- Data do not include imports of OCTG under HTS statistical reporting numbers other than those specified for casing and tubing.

Source: Compiled from official Commerce statistics (import data) and data submitted in response to Commission questionnaires (inventory data).

Table IV-6
OCTG: U.S. imports and end-of-period (EOP) inventories from Turkey excluding Borusan and Yucel, by month, January 2013 through June 2013 and July 2013 through December 2013

* * * * *

Table IV-7
OCTG: U.S. imports and end-of-period (EOP) inventories from Vietnam excluding SeAH, by month, January 2013 through June 2013 and July 2013 through December 2013

* * * * *

NEGLIGENCE

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁹ Negligible imports are defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.¹⁰ The statute further provides that, in the case of countervailing duty investigations involving developing countries, the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.¹¹ Table IV-8 presents data for imports during July 2012-June 2013 for each subject source for which Commerce has made an affirmative determination. Four sources individually accounted for less than 3 percent of the volume of U.S. imports of OCTG in 2013. Imports from the Philippines accounted for 2.2 percent, imports from Saudi Arabia accounted for *** percent, subject imports from Taiwan accounted for *** percent, and imports from Thailand accounted for 0.8 percent. Collectively, these four sources accounted for *** percent of subject imports.

⁹ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

¹⁰ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

¹¹ Section 771 (24)(B) of the Act (19 U.S.C § 1677(24)(B)).

Table IV-8
OCTG: U.S. imports by source and share of imports, July 2012-June 2013

Source	U.S. imports	
	Quantity (short tons)	Share of total (percent)
India	***	***
Korea	***	***
Philippines	68,988	2.2
Saudi Arabia	***	***
Taiwan ¹	***	***
Thailand	26,454	0.8
Turkey	130,422	4.1
Ukraine	***	***
Vietnam	173,312	5.5
Subtotal	***	***
Of which individually negligible sources	***	***
All other sources ²	***	***
Total imports	3,177,252	100.0

¹ Data for Taiwan exclude imports from nonsubject supplier Chung Hung.

² Data for all other sources include imports from nonsubject Taiwan supplier Chung Hung.

Source: Compiled from official Commerce statistics, with adjustments using questionnaire data, and reclassifying Chung Hung based on questionnaire data. Official import statistics reflect revisions available as of July 2014.

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Tables IV-9 through IV-11¹² present OCTG data by stage of finish for U.S. producers' U.S. shipments (table IV-9), U.S. importers' U.S. imports from subject sources (table IV-10), and from all other sources (table IV-11). The tabulation below presents data for U.S. producers' ratios of production of welded OCTG and seamless OCTG, and subject imports' ratios of imports for welded OCTG and seamless OCTG, by source.

Item	Welded	Seamless
	Share (percent)	
U.S. producers' production	42.0	58.0
U.S. imports from--		
India	20.2	79.8
Korea	97.6	2.4
Philippines	99.4	0.6
Saudi Arabia	0.0	100.0
Taiwan	97.2	2.8
Thailand	0.0	100.0
Turkey	100.0	0.0
Ukraine	0.0	100.0
Vietnam	92.8	7.2

Note: Shares of seamless for India and Korea do not include entries under HTS numbers other than those for casing and tubing not included and thus are slightly understated.

Source: Official Commerce Statistics.

¹² Appendix D presents disaggregated data by country.

Table IV-9
OCTG: U.S. producers' U.S. shipments, by stage of finish, 2011-13, January to March 2013, and
January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
	Quantity (short tons)				
Finished OCTG	2,817,381	3,087,843	3,506,476	815,767	897,473
Unfinished OCTG.-- Not at API	***	***	***	***	***
At API but upgradeable	***	***	***	***	***
At final API but needs end finishing	***	***	***	***	***
All others	***	***	***	***	***
Subtotal, unfinished OCTG	435,444	468,643	397,504	94,158	93,829
Total U.S. shipments	3,252,825	3,556,486	3,903,980	909,925	991,302
	Value (1,000 dollars)				
Finished OCTG	4,800,693	5,265,083	5,498,430	1,272,846	1,396,249
Unfinished OCTG.-- Not at API	***	***	***	***	***
At API but upgradeable	***	***	***	***	***
At final API but needs end finishing	***	***	***	***	***
All others	***	***	***	***	***
Subtotal, unfinished OCTG	699,591	885,931	619,898	151,454	135,183
Total U.S. shipments	5,500,284	6,151,014	6,118,328	1,424,300	1,531,432
	Unit value (dollars per short ton)				
Finished OCTG	1,704	1,705	1,568	1,560	1,556
Unfinished OCTG.-- Not at API	***	***	***	***	***
At API but upgradeable	***	***	***	***	***
At final API but needs end finishing	***	***	***	***	***
All others	***	***	***	***	***
Subtotal, unfinished OCTG	1,607	1,890	1,559	1,609	1,441
Total U.S. shipments	1,691	1,730	1,567	1,565	1,545
	Share of quantity (percent)				
Finished OCTG	86.6	86.8	89.8	89.7	90.5
Unfinished OCTG.-- Not at API	***	***	***	***	***
At API but upgradeable	***	***	***	***	***
At final API but needs end finishing	***	***	***	***	***
All others	***	***	***	***	***
Subtotal, unfinished OCTG	13.4	13.2	10.2	10.3	9.5
Total U.S. shipments	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-10**OCTG: U.S. importers' imports from subject sources, by stage of finish, 2011-13, January to March 2013, and January to March 2014**

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
	Quantity (short tons)				
Finished OCTG	167,796	250,011	214,867	58,508	12,610
Unfinished OCTG.-- Not at API	68,850	94,883	72,399	14,073	18,638
At API but upgradeable	244,658	270,263	293,200	70,018	70,957
At final API but needs end finishing	725,631	990,153	994,129	259,808	167,354
All others	36,818	42,841	27,846	8,564	512
Subtotal, unfinished OCTG	1,075,957	1,398,140	1,387,574	352,463	257,461
Total U.S. imports	1,243,753	1,648,151	1,602,441	410,971	270,071
	Value (1,000 dollars)				
Finished OCTG	238,196	338,485	261,597	76,387	14,556
Unfinished OCTG.-- Not at API	72,215	104,691	66,027	12,483	16,762
At API but upgradeable	277,173	290,026	274,993	71,778	65,065
At final API but needs end finishing	771,075	995,027	893,113	236,829	145,376
All others	48,657	57,836	36,911	11,520	494
Subtotal, unfinished OCTG	1,169,120	1,447,580	1,271,044	332,610	227,697
Total U.S. imports	1,407,316	1,786,065	1,532,641	408,997	242,253
	Unit value (dollars per short ton)				
Finished OCTG	1,420	1,354	1,217	1,306	1,154
Unfinished OCTG.-- Not at API	1,049	1,103	912	887	899
At API but upgradeable	1,133	1,073	938	1,025	917
At final API but needs end finishing	1,063	1,005	898	912	869
All others	1,322	1,350	1,326	1,345	965
Subtotal, unfinished OCTG	1,087	1,035	916	944	884
Total U.S. imports	1,132	1,084	956	995	897
	Share of quantity (percent)				
Finished OCTG	13.5	15.2	13.4	14.2	4.7
Unfinished OCTG.-- Not at API	5.5	5.8	4.5	3.4	6.9
At API but upgradeable	19.7	16.4	18.3	17.0	26.3
At final API but needs end finishing	58.3	60.1	62.0	63.2	62.0
All others	3.0	2.6	1.7	2.1	0.2
Subtotal, unfinished OCTG	86.5	84.8	86.6	85.8	95.3
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Note.— Data for January-March 2014 does not include imports from ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-11

OCTG: U.S. importers' U.S. imports from nonsubject sources, by type, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
Finished OCTG	793,843	824,816	717,079	141,636	185,774
Unfinished OCTG.--					
Not at API	30,361	79,890	62,505	14,709	12,789
At API but upgradeable	41,421	87,105	96,086	28,054	25,481
At final API but needs end finishing	403,801	526,302	384,997	73,701	94,058
All others	24,863	35,158	36,269	2,867	18,827
Subtotal, unfinished OCTG	500,446	728,455	579,857	119,331	151,155
Total U.S. imports	1,294,289	1,553,271	1,296,936	260,967	336,929
Value (1,000 dollars)					
Finished OCTG	1,429,563	1,560,770	1,228,131	262,735	330,461
Unfinished OCTG.--					
Not at API	40,179	88,441	75,182	15,327	12,304
At API but upgradeable	42,144	110,761	103,854	31,257	29,913
At final API but needs end finishing	776,117	1,127,330	726,857	167,269	188,420
All others	33,629	51,143	51,221	4,243	26,615
Subtotal, unfinished OCTG	892,069	1,377,675	957,114	218,096	257,252
Total U.S. imports	2,321,632	2,938,445	2,185,245	480,831	587,713
Unit value (dollars per short ton)					
Finished OCTG	1,801	1,892	1,713	1,855	1,779
Unfinished OCTG.--					
Not at API	1,323	1,107	1,203	1,042	962
At API but upgradeable	1,017	1,272	1,081	1,114	1,174
At final API but needs end finishing	1,922	2,142	1,888	2,270	2,003
All others	1,353	1,455	1,412	1,480	1,414
Subtotal, unfinished OCTG	1,783	1,891	1,651	1,828	1,702
Total U.S. imports	1,794	1,892	1,685	1,842	1,744
Share of quantity (percent)					
Finished OCTG	61.3	53.1	55.3	54.3	55.1
Unfinished OCTG.--					
Not at API	2.3	5.1	4.8	5.6	3.8
At API but upgradeable	3.2	5.6	7.4	10.8	7.6
At final API but needs end finishing	31.2	33.9	29.7	28.2	27.9
All others	1.9	2.3	2.8	1.1	5.6
Subtotal, unfinished OCTG	38.7	46.9	44.7	45.7	44.9
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-12¹³ presents data for U.S. producers' and U.S. importers' shipments of OCTG, aggregated by grade. Table IV-13¹⁴ presents data for U.S. producers' and U.S. importers' shipments of OCTG, aggregated by end finish.

Table IV-12
OCTG: U.S. producers' and U.S. importers' U.S. shipments, aggregated by grade, 2013

Type	Source		
	US	Subject sources	Nonsubject sources
Quantity (short tons)			
Below API/limited service	***	***	***
H-40	***	***	***
J-55	806,818	1,037,784	140,368
K-55	***	***	***
M-65	***	***	***
L-80	553,466	209,235	207,754
C-95	***	***	***
N-80, Type I	***	***	***
N-80, Type II	***	***	***
C-90	***	***	***
T-95	***	***	***
P-110	1,727,521	175,315	685,331
Q-125	***	***	***
Premium/proprietary	***	***	***
Total reported U.S. shipments	3,903,975	1,551,952	1,224,036

Table continued on next page.

¹³ Appendix D presents data showing U.S. producers' shipments of OCTG by grade and type of end finish.

¹⁴ Appendix D presents data showing U.S. importers' shipments of OCTG by grade and type of end finish for each subject source and aggregated data for nonsubject sources.

Table IV-12--Continued

OCTG: U.S. producers' and U.S. importers' U.S. shipments, aggregated by grade, 2013

Type	Source		
	US	Subject sources	Nonsubject sources
Value (1,000 dollars)			
Below API/limited service	***	***	***
H-40	***	***	***
J-55	944,565	1,001,943	159,762
K-55	***	***	***
M-65	***	***	***
L-80	903,604	283,198	356,850
C-95	***	***	***
N-80, Type I	***	***	***
N-80, Type II	***	***	***
C-90	***	***	***
T-95	***	***	***
P-110	2,977,589	245,965	1,299,377
Q-125	***	***	***
Premium/proprietary	***	***	***
Total reported U.S. shipments	6,109,989	1,682,550	2,242,185
Unit value (dollars per short ton)			
Below API/limited service	***	***	***
H-40	***	***	***
J-55	1,171	965	1,138
K-55	***	***	***
M-65	***	***	***
L-80	1,633	1,353	1,718
C-95	***	***	***
N-80, Type I	***	***	***
N-80, Type II	***	***	***
C-90	***	***	***
T-95	***	***	***
P-110	1,724	1,403	1,896
Q-125	***	***	***
Premium/proprietary	***	***	***
Total reported U.S. shipments	1,565	1,084	1,832

Table continued on next page.

Table IV-12--Continued

OCTG: U.S. producers' and U.S. importers' U.S. shipments, aggregated by grade, 2013

Type	Source		
	US	Subject sources	Nonsubject sources
Share of quantity (percent)			
Below API/limited service	***	***	***
H-40	***	***	***
J-55	20.7	66.9	11.5
K-55	***	***	***
M-65	***	***	***
L-80	14.2	13.5	17.0
C-95	***	***	***
N-80, Type I	***	***	***
N-80, Type II	***	***	***
C-90	***	***	***
T-95	***	***	***
P-110	44.3	11.3	56.0
Q-125	***	***	***
Premium/proprietary	***	***	***
Total reported U.S. shipments	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-13

OCTG: U.S. producers' and U.S. importers' U.S. shipments, aggregated by end finish, 2013

Finish	Source		
	US	Subject sources	Nonsubject sources
Quantity (short tons)			
Threaded and coupled, proprietary	903,197	20,441	***
Threaded and coupled, not proprietary	2,538,982	541,916	***
Threaded but not coupled, proprietary	***	***	***
Threaded but not coupled, not proprietary	***	***	***
Subtotal, proprietary threaded	***	***	***
Subtotal, not proprietary threaded	***	***	***
Subtotal, coupled	3,442,179	562,357	***
Subtotal, not coupled	***	***	***
Subtotal, threaded	***	***	***
Plain end	358,140	967,049	***
Coupling stock	***	***	***
All finishing types	9,903,975	1,551,952	***

Table continued on next page.

Table IV-13

OCTG: U.S. producers' and U.S. importers' U.S. shipments, aggregated by end finish, 2013

Finish	Source		
	US	Subject sources	Nonsubject sources
Value (1,000 dollars)			
Threaded and coupled, proprietary	1,731,583	27,609	***
Threaded and coupled, not proprietary	3,606,864	703,957	***
Threaded but not coupled, proprietary	***	***	***
Threaded but not coupled, not proprietary	***	***	***
Subtotal, proprietary threaded	***	***	***
Subtotal, not proprietary threaded	***	***	***
Subtotal, coupled	5,338,447	731,566	***
Subtotal, not coupled	***	***	***
Subtotal, threaded	***	***	***
Plain end	541,940	914,658	***
Coupling stock	***	***	***
All finishing types	6,109,989	1,682,550	***
Unit value (dollars per short ton)			
Threaded and coupled, proprietary	1,917	1,351	***
Threaded and coupled, not proprietary	1,421	1,299	***
Threaded but not coupled, proprietary	***	***	***
Threaded but not coupled, not proprietary	***	***	***
Subtotal, proprietary threaded	***	***	***
Subtotal, not proprietary threaded	***	***	***
Subtotal, coupled	1,551	1,301	***
Subtotal, not coupled	***	***	***
Subtotal, threaded	***	***	***
Plain end	1,513	946	***
Coupling stock	***	***	***
All finishing types	1,565	1,084	***

Table continued on next page.

Table IV-13--Continued

OCTG: U.S. producers' and U.S. importers' U.S. shipments, aggregated by end finish, 2013

Finish	Source		
	US	Subject sources	Nonsubject sources
Share of quantity (percent)			
Threaded and coupled, proprietary	23.1	1.3	***
Threaded and coupled, not proprietary	65.0	34.9	***
Threaded but not coupled, proprietary	***	***	***
Threaded but not coupled, not proprietary	***	***	***
Subtotal, proprietary threaded	***	***	***
Subtotal, not proprietary threaded	***	***	***
Subtotal, coupled	88.2	36.2	***
Subtotal, not coupled	***	***	***
Subtotal, threaded	***	***	***
Plain end	9.2	62.3	***
Coupling stock	***	***	***
All finishing types	100.0	100.0	***

Source: Compiled from data submitted in response to Commission questionnaires.

Presence in the market

Table IV-14 summarizes the number of months in which imports were present in the U.S. market from each subject source.

Table IV-14

OCTG: Number of months with entries of imports from subject sources, 2011-13 and January-March 2014

Source	Calendar year			January to March	Total
	2011	2012	2013	2014	
Number of months of import entries					
India	12	12	12	3	39
Korea	12	12	12	3	39
Philippines	5	10	10	2	27
Saudi Arabia	8	8	10	0	26
Taiwan (subject)	***	***	***	***	36
Thailand	5	11	12	1	29
Turkey	11	12	11	3	37
Ukraine	10	11	10	3	34
Vietnam	7	12	12	2	33
Subtotal	12	12	12	3	39

Source: Compiled from official Commerce statistics, except Taiwan based on proprietary Customs data.

Geographical markets

Official Commerce statistics show that in 2013, approximately 96 percent of U.S. imports of casing and tubing from subject countries entered the United States through the Houston-Galveston, TX customs district. For seven of the nine subject sources, the vast majority of such imports entered through the customs district for Houston-Galveston, TX. Imports of casing and tubing from India entered through the customs district for Houston-Galveston, TX (78.2 percent), New Orleans, LA (13.6 percent), Los Angeles, CA (7.6 percent), and other customs districts in very small quantities. Imports of casing and tubing from Thailand entered through the customs district for Houston, Galveston, TX (73.4 percent), Los Angeles, CA (26.3 percent), and Dallas, TX (0.3 percent).

APPARENT U.S. CONSUMPTION

Table IV-15 presents data on apparent U.S. consumption for OCTG. Because the Commission has previously found processors to be part of the domestic industry, table IV-15 includes toll processors' revenue and non-toll processors' incremental values. Specifically, this additional value line consists of (1) toll processors' revenue for shipments for the accounts of importers, (2) toll processors' revenue for shipments for the accounts of "other" (non-mill/non-importer) customers, and (3) non-toll processors' incremental value (sales net of raw material costs, calculated by multiplying the difference between their unit value of sales and their unit value of purchases by the quantity sold). The additional processor values plus U.S. mill shipment values represent "total U.S. producer contributions."

U.S. MARKET SHARES

U.S. market share data are presented in table IV-16. As discussed above, the market shares shown for "total U.S. producer contributions" are based on combined U.S. mill shipment values and U.S. processors' toll revenue and incremental value.

Table IV-15

OCTG: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
U.S. producers' U.S. shipments	3,135,876	3,387,771	3,736,381	870,703	950,579
U.S. imports from.--					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	23,933	69,757	73,969	12,030	17,794
Saudi Arabia	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***
Thailand	6,135	31,833	33,741	3,424	11,911
Turkey	140,806	151,576	133,773	24,217	34,158
Ukraine	***	***	***	***	***
Vietnam	56,697	219,997	144,871	31,876	2,757
Subtotal	***	***	***	***	***
All other sources	***	***	***	***	***
Total imports	2,839,740	3,570,796	3,242,306	734,735	890,275
Apparent U.S. consumption	5,975,616	6,958,567	6,978,687	1,605,438	1,840,854
Value (1,000 dollars)					
U.S. producers' U.S. shipments.--					
Mills' U.S. shipments	5,286,771	5,867,506	5,833,652	1,359,773	1,466,007
Processors' toll revenue/incremental value	160,655	218,147	264,793	61,864	69,767
Total U.S. producer contributions	5,447,426	6,085,653	6,098,445	1,421,637	1,535,774
U.S. imports from.--					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	21,542	64,567	60,391	9,784	13,739
Saudi Arabia	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***
Thailand	8,053	43,815	39,752	4,593	16,280
Turkey	133,698	144,280	114,981	22,481	29,012
Ukraine	***	***	***	***	***
Vietnam	53,923	201,905	119,291	26,414	3,144
Subtotal	***	***	***	***	***
All other sources	***	***	***	***	***
Total imports	3,981,070	5,053,876	3,997,131	952,338	1,067,990
Apparent U.S. consumption	9,428,496	11,139,529	10,095,576	2,373,975	2,603,764

Source: Compiled from data submitted in response to Commission questionnaires and official Commerce statistics. Official import statistics reported through to December 2013 reflect revisions available as of July 2014.

Table IV-16

OCTG: U.S. consumption and market shares, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
Apparent U.S. consumption	5,975,616	6,958,567	6,978,687	1,605,438	1,840,854
Market share based on quantity (percent)					
U.S. producers' U.S. shipments	52.5	48.7	53.5	54.2	51.6
U.S. imports from.--					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	0.4	1.0	1.1	0.7	1.0
Saudi Arabia	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***
Thailand	0.1	0.5	0.5	0.2	0.6
Turkey	2.4	2.2	1.9	1.5	1.9
Ukraine	***	***	***	***	***
Vietnam	0.9	3.2	2.1	2.0	0.1
Subtotal	***	***	***	***	***
All other sources	***	***	***	***	***
Total imports	47.5	51.3	46.5	45.8	48.4
Value (1,000 dollar)					
Apparent U.S. consumption	9,428,496	11,139,529	10,095,576	2,373,975	2,603,764
Market share based on value (percent)					
U.S. producers' U.S. shipments.--					
Mills' U.S. shipments	56.1	52.7	57.8	57.3	56.3
Processors' toll revenue/incremental value	1.7	2.0	2.6	2.6	2.7
Total U.S. producer contributions	57.8	54.6	60.4	59.9	59.0
U.S. imports from.--					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	0.2	0.6	0.6	0.4	0.5
Saudi Arabia	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***
Thailand	0.1	0.4	0.4	0.2	0.6
Turkey	1.4	1.3	1.1	0.9	1.1
Ukraine	***	***	***	***	***
Vietnam	0.6	1.8	1.2	1.1	0.1
Subtotal	***	***	***	***	***
All other sources	***	***	***	***	***
Total imports	26.3	27.7	22.6	22.1	24.9

Source: Compiled from data submitted in response to Commission questionnaires and official Commerce statistics. Official import statistics reported through to December 2013 reflect revisions available as of July 2014.

RATIO OF IMPORTS TO PRODUCTION

Table IV-17 presents data on the ratio of U.S. imports to U.S. production.

Table IV-17

OCTG: Ratio of U.S. imports to U.S. production, 2011-13, January-March 2013, and January-March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
	Quantity (short tons)				
U.S. production (mills only)	3,329,004	3,587,613	4,107,433	995,468	1,064,678
	Ratio to U.S. production (percent)				
U.S. imports from.—					
India	***	***	***	***	***
Korea	***	***	***	***	***
Philippines	0.7	1.9	1.8	1.2	1.7
Saudi Arabia	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***
Thailand	0.2	0.9	0.8	0.3	1.1
Turkey	4.2	4.2	3.3	2.4	3.2
Ukraine	***	***	***	***	***
Vietnam	1.7	6.1	3.5	3.2	0.3
Subtotal	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
Total imports	85.3	99.5	78.9	73.8	83.6

Source: Compiled from data submitted in response to Commission questionnaires and official Commerce statistics with adjustments using questionnaire data.

PART V: PRICING DATA

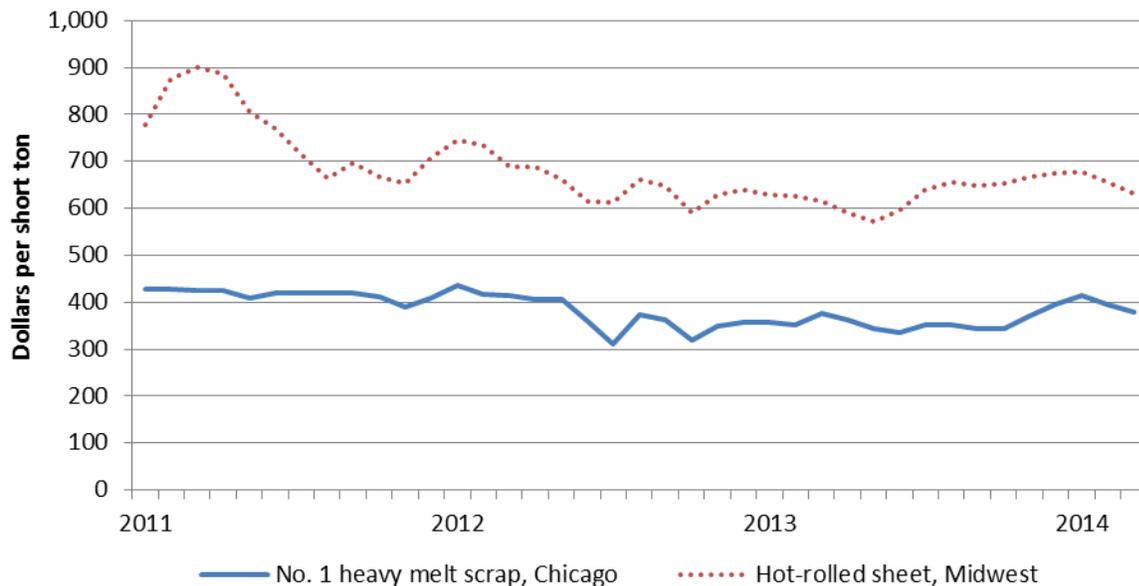
FACTORS AFFECTING PRICES

Raw material costs

Raw materials, primarily hot-rolled steel or billets (and associated inputs such as coke, scrap, pig iron, and hot-briqueted iron), account for the majority of the cost of OCTG. Raw materials as a share of cost of goods sold for domestic producers of OCTG decreased from 59.3 percent in 2011 to 58.3 percent in 2012 and increased to 59.0 percent in 2013, and were 58.1 percent in January-March 2014, compared with 59.3 percent in January-March 2013. U.S. producers and importers generally reported fluctuating raw material costs since 2011, with increasing input prices toward the end of the period.

Average costs of hot-rolled steel sheet used to make welded OCTG and scrap used to make hot-rolled billets used in the manufacture of seamless OCTG during January 2011 through March 2014 are presented in figure V-1. Figure V-2 presents longer-term trends, specifically January 2006-March 2014. Since a peak in 2011, there has been a general decline in prices for steel sheet and scrap, although prices increased slightly in late 2013 before declining in the first three months of 2014.

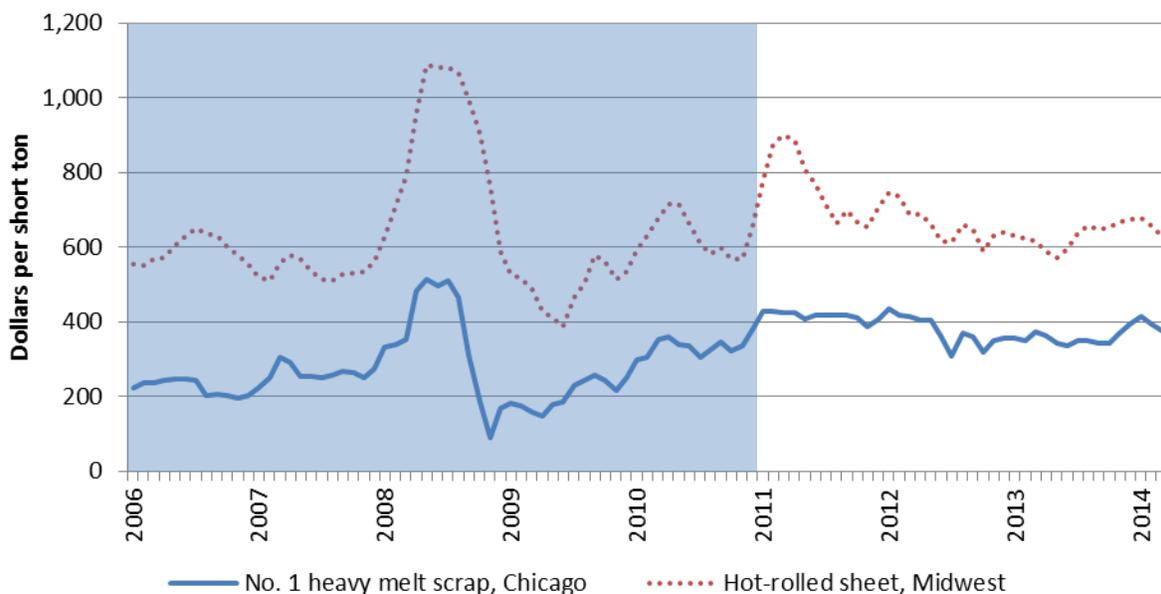
Figure V-1
OCTG: Average consumer ferrous scrap prices (No. 1 heavy melt, Chicago) and hot-rolled steel sheet prices (Midwest), monthly, January 2011-March 2014



Source: American Metal Market.

Figure V-2

OCTG: Average consumer ferrous scrap prices (No. 1 heavy melt, Chicago) and hot-rolled steel sheet prices (Midwest), monthly, January 2006-March 2014



Source: American Metal Market.

In addition to steel, energy (mainly natural gas and electricity) accounts for a portion of OCTG production costs. Although the price of natural gas helps drive demand for OCTG, it is also a cost factor in pipe formation and mills' and processors' heat treatment. It also plays a large part in the cost of heat treating OCTG to a higher grade. The price of natural gas declined between 2011 and 2012, but increased in 2013 and the first quarter of 2014. The prices of electricity and iron ore remained relatively steady, changing by less than 1 percent between 2011 and 2013 (table V-1).

Table V-1

OCTG: Prices of inputs, yearly, 2011-13 and January - March 2014

Item	2011	2012	2013	Jan.-Mar. 2014
Natural gas price (end-use, industrial sector, <i>per mmBTU</i>)	\$5.13	\$3.88	4.66	6.17
Electricity (industrial, <i>cents per kwh</i>)	6.82	6.67	6.82	7.02
Iron ore (per metric ton)	\$99.45	\$98.16	98.75e	n/a

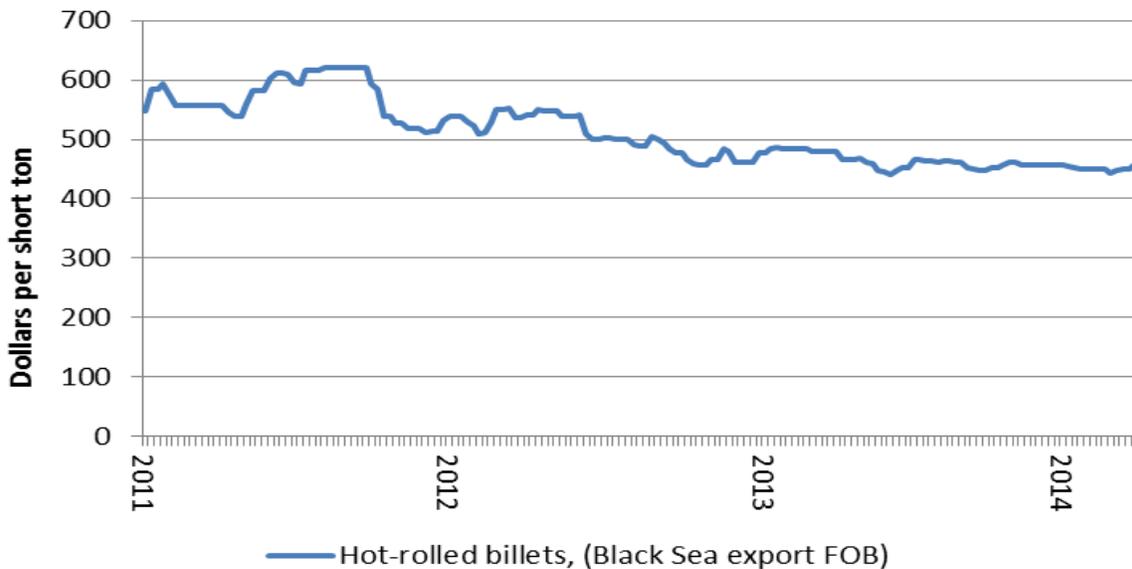
Note.--An "e" after a number indicates that data for the period is unavailable, so the presented data is an estimate.

Sources: Energy Information

Administration, <http://www.eia.doe.gov>, <http://www.eia.gov/forecasts/steo/tables/?tableNumber=8#>, and http://minerals.usgs.gov/minerals/pubs/commodity/iron_ore/mcs-2014-feore.pdf.

Seamless OCTG producers generally produce their own billets. Billets are not typically sold in the United States. Figure V-3 presents one measure of the cost of billets, though it should be noted this may be a proxy for the use of a firm’s billets, not a direct cost of buying them.

Figure V-3
OCTG: Hot-rolled billet prices (Black Sea export, FOB), weekly, January 2011-March 2014



Source: Metal Bulletin.

U.S. inland transportation costs

Seven U.S. producers provided usable U.S. transportation costs, averaging 6 percent and ranging from 4 to 10 percent of the total delivered cost of their U.S. shipments.¹ Although U.S.-produced OCTG is shipped a variety of distances, U.S. producers generally shipped OCTG between 101 and 1,000 miles (44.0 percent) or more than 1,000 miles (45.4 percent) in 2013.² Six producers reported arranging transportation for purchasers, whereas seven reported that purchasers arrange it themselves.

Nineteen importers reported usable U.S. transportation costs, with eight reporting transportation costs of 2 percent or less and ranged from 0.2 to 10 percent of total delivered

¹ Two producers additionally reported transportation costs as either zero or above 50 percent. These data were not used.

² See Part II for further detail regarding shipment distances.

costs.³ On average, importers' inland transportation costs averaged 4 percent. Low transportation costs were expected, as more than 75 percent of imports from these nine countries were shipped distances of less than 100 miles from their point of importation, whereas less than 6 percent was shipped distances of greater than 1,000 miles.⁴ Thirty-three of 40 responding importers reported that purchasers arrange transportation.

PRICING PRACTICES

Pricing methods

Pricing basis

Most firms reported selling OCTG on a spot basis. Eleven U.S. producers reported that they set prices for OCTG on a transaction-by-transaction basis, 4 reported selling via contracts, and 1 reported using price lists (table V-2). A majority of importers also reported setting prices on a transaction-by-transaction basis. One producer (***) and one importer (***) reported using current competitive offers for all of its sales whether on the spot market or subject to short- or long-term contracts. One other producer (***) noted that most of its sales are program sales (discussed in greater detail below).

Table V-2

OCTG: U.S. producers' and importers' reported price setting methods, by number of responding firms¹

Method	U.S. producers	Importers
Transaction-by-transaction	11	43
Contract	4	11
Set price list	1	1
Other	2	1

¹ The sum of responses down will not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

Source: Compiled from data submitted in response to Commission questionnaires.

The largest proportion – 56 percent – of domestic sales are program sales. The remainder of domestic sales is divided between short-term and long-term contracts or spot sales (table V-3).

³ Transportation costs reported by importers *** were reported to be 10 percent.

⁴ As discussed in Part IV, a substantial portion of U.S. imports enter through the port of Houston-Galveston, Texas.

Table V-3

OCTG: U.S. producers' and importers' reported shares of contracts, program sales, and spot sales, by type of sale, 2013

* * * * *

Two producers (***) reported using long-term contracts unrelated to program sales, whereas four (***) reported selling via short-term contracts unrelated to program sales. These sales accounted for *** and *** percent of the volume of domestic sales in 2013, respectively. One producer (***) sells via long-term program sales, but these only accounted for *** percent of its sales in 2013.

U.S. importers most frequently reported spot sales of OCTG, with exceptions for imports from Korea (***) percent) and Saudi Arabia (***) percent). Overall, 47 percent of subject imports were sold on the spot market in 2013. The next most-frequently used method is via short-term contracts, which accounted for another 38 percent.⁵ Short-term program sales accounted for less than 10 percent of importers' sales, but were made for imports from all countries except Saudi Arabia (***), Thailand, and Ukraine (***)).

Program sales

A program sale was defined in the Commission's instructions as "an agreement or obligation among end users, distributor, and/or mills which specifies the type of OCTG, approximate quantities to be supplied, delivery time frames, and/or prices. Prices and/or quantities may be subject to adjustment." Due to the variable nature of these agreements, further information was requested of producers, purchasers, and importers who had program sales from the nine named countries to help to define characteristics of program sales. The characteristic noted by most participants as being included in program sale agreements was the grade of OCTG. Slightly fewer firms cited the delivery schedule and estimated consumption. More producers and importers reported a general pricing framework than firm prices, but a slight majority of purchasers reported the opposite. In all, 9 of 14 responding producers, 4 of 44 responding importers, and 31 of 52 purchasers reported buying or selling via program sales since January 1, 2011. Their responses are summarized in table V-4.

⁵ These data are heavily influenced by data reported for ***. Nonetheless, importers of OCTG from all nine countries reported sales in 2013 pursuant to short-term contracts.

Table V-4

OCTG: Characteristics of program sales

Agreement characteristic	U.S. producers	Importers	Purchasers
Firm prices	5	2	22
General pricing framework	9	3	20
Renegotiable prices	6	0	18
Grade of OCTG	9	4	29
Connection type	7	1	21
Delivery schedule	8	3	28
Estimated consumption	8	2	26
Other ¹	1	0	8

¹ Other characteristics noted include: distributor inventory on hand, end finish, material specification, payment terms and conditions, range length, relationships, shipping locations, size, standard vs. non-standard thread type, time frame, and weight.

Source: Compiled from data submitted in response to Commission questionnaires.

Market participants were also asked which portions of the agreements or obligations were legally binding. Available responses are presented in table V-5. Although most responses described program sales as not legally binding, characterizations ranged substantially.

Table V-5

OCTG: Legally binding portions of program sale agreements

* * * * *

Producers, importers, and purchasers were asked about their involvement with program sales. Nine of 14 responding producers reported having sold OCTG via program sales since January 1, 2011, accounting for at least 2.25 million short tons of OCTG in 2013.⁶ Only 4 of 44 importers – *** – reported program sales of OCTG imported from the subject countries, accounting for *** short tons of OCTG in 2013. Twenty-one of 52 responding purchasers reported no purchases of any OCTG pursuant to program sales, 25 purchased from domestic sources pursuant to program sales, 22 from the subject countries, and 18 from nonsubject countries. Purchasers reported purchasing 2.5 million short tons of OCTG via program sales from domestic sources and 664,000 short tons from nonsubject sources in 2013. They also reported purchasing 435,000 short tons from the subject countries pursuant to program sales, with each country named by at least one purchaser.⁷

⁶ *** gave a lower-bound estimate and did not include tonnage for coupling stock or tubing.

⁷ Of this total, *** short tons were imported from Korea, and *** short tons were imported from Turkey (Borusan). The remainder is accounted for by purchasers which bought OCTG imported from at least two named countries via program sales. After Korea, Turkey and Saudi Arabia were most frequently mentioned as the source. Purchasers that included Taiwan did not specify the firm that manufactured or exported the OCTG, so the total may be slightly overstated if any was purchased from Chung Hung in Taiwan due to this. The total may be understated, however, because some firms which

Six of 37 responding importers noted that they had tried to sell OCTG from these countries via program sale agreements but had been unable to do so.⁸ Importer *** stated that occasionally overseas shipments are late, which create supply disruptions. Importer *** stated that program sales are dominated by domestic producers, which makes it difficult for distributors of imported product to compete. Various reasons were stated by approximately half of the 32 importers that did not attempt to sell imported OCTG from the nine countries. Most of these reported either not importing from these countries, or that they sell product in other ways. Among importers that did provide reasons, *** stated that it supplies distributors that participate in program sales, *** stated that it does not qualify for program sales mainly on the basis of not maintaining U.S. inventories, *** noted that its material is unfinished so it cannot supply end users, *** only sells to distributors, *** prefers spot sales and spot purchases, and *** stated that deliveries would be too inconsistent and take too long to sell via programs.

Fourteen of 47 responding purchasers stated that they had attempted to purchase OCTG via program sales but could not. Among the purchasers that gave reasons why they were unsuccessful in making program purchases, *** noted an inventory requirement, *** stated that its customer's orders sometimes do not allow enough time for mill scheduling to produce the OCTG within their time requirement, *** noted that there are volume restrictions based on mill bookings, *** reported that sometimes suppliers are unwilling to offer program pricing, and *** stated that the "Koreans are going direct to end users to take out distributors." Among the 33 other purchasers, 8 reported that they have been successful in buying via program sales, 9 indicated no desire to purchase via programs, 10 provided no explanation, and 6 provided other reasons. When asked about the importance of foreign inventories in relation to program sales, purchasers' responses were disparate with no general consensus, ranging from "not important" to "extraordinarily important!"

Firms were also asked if volumes not sold pursuant to program sales could substitute for volumes that were sold as part of program sales. Ten of 12 responding producers and 35 of 44 responding purchasers indicated that there could be substitution, while 20 of 35 responding importers indicated the opposite. When asked whether non-program sales of OCTG affect the prices of program sales, 8 of 10 producers and 27 of 43 responding purchasers stated that there is an effect, while 20 of 36 responding importers indicated the opposite.

Contract terms

The length of contracts in the market varied. Nine U.S. producers' short-term contracts were reported to be between 1½ and 12 months long (averaging five months). Terms also

reported purchasing via program sales did not report quantities—four which purchased from subject countries, and two each which purchased from domestic firms and nonsubject sources. Among those that did not report a quantity was ***.

⁸ Producers were asked this same question regarding their domestically-produced OCTG. Although four replied that they had attempted to sell but had been unable to do so, these four also reported that they had some sales of OCTG via program sale agreements since January 1, 2011. Two of these stated that some of their attempted program sales were unsuccessful, based on competition from foreign sources. In addition to these four, ***.

varied: two responding producers' short-term contracts fixed only price, whereas three fixed price and quantity; four typically had renegotiable prices whereas four did not; and six typically did not contain meet-or-release clauses, compared with two which did not.⁹ Fourteen responding importers which use short-term contracts reported durations ranging between one and six months (averaging three months), typically fixed both price and quantity, did not allow price renegotiation, or contain meet-or-release provisions. Only one importer (***) reported data concerning its long-term contract provisions; it is typically 4 years in length, and does not contain any meet-or-release provisions.

Producers and importers were asked whether raw material prices were referenced in OCTG price negotiations. Eight of 11 responding producers reported that they were, but 23 of 38 responding importers indicated that they were not referenced. The input most frequently noted by domestic producers and importers was hot-rolled steel coils. Six of 12 responding producers indicated that OCTG prices were linked or indexed to raw material prices available in publications such as CRU, Pipe Logix, or an index for scrap steel. Two of these producers noted that it is either only for certain purchase agreements, while another producer stated that it has in the past, but does not have any current agreements that are linked. Only four of 42 responding purchasers indicated that their sales are tied to price indices.

Sales terms and discounts

Twelve of 16 responding producers and 26 of 34 responding importers reported that the majority of their sales were on an f.o.b. basis; 4 producers and 8 importers reported that most of their sales were on a delivered basis, and 2 producers reported selling on both bases. The majority of producers shipping on an f.o.b. basis do so from their mill, while a majority of importers shipping on an f.o.b. basis (14) do so from Houston, Texas; six others noted selling from the port of entry or dock, which may also include Houston as a port of entry or dock.

Slightly more than half (8 of 14) of responding producers do not offer discounts to purchasers of OCTG except for early payment discounts, whereas four offer quantity or annual volume discounts (***). The industry standard payment terms producers offered are 2% 10/net 30 days, although *** offers terms of 2% 25/net 60.¹⁰ Thirty-six importers offer no discounts, whereas four (***) offer quantity or total volume discounts. Five importers offer a discount other than quantity discounts: four offer a 2 percent early payment discount and four offer discounts on a transaction-by-transaction basis. Sales are typically made on a net 30 payment basis, although seven responding importers reported net 60 payment terms. One importer, ***, stated that its standard payment terms are net 180 days.

⁹ Not all producers which indicated that they used short-term contracts responded to all portions of this question.

¹⁰ Eight of 14 responding producers offer these terms, while another three offer net 30 terms and three offer something different.

PRICE DATA

The Commission asked U.S. producers (including processors) and U.S. importers of OCTG to provide quarterly data for the total quantity and value of OCTG that was shipped to unrelated customers in the U.S. market. Quarterly data were requested for the period January 2011–March 2014. The products for which pricing data were requested are as follows:

Product 1-- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless

Product 2-- Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded

Product 3-- Casing, Grade J-55, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, welded

Product 4-- Casing, Grade P-110, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless

Product 5-- Casing, Grade J-55, 8 5/8" O.D., 32.0 lbs./ft., threaded and coupled, range 3, welded

Product 6-- Casing, Grade J-55, 9 5/8" O.D., 36.0 lbs./ft., threaded and coupled, range 3, welded.

Ten U.S. producers (mills and processors) and 23 importers provided usable price data for sales of the six products, although not all firms reported prices for all products and all quarters.¹¹ After the Commission's hearing, firms that had supplied pricing data for seamless products 1 and 4 were asked to divide their sales for those products among OCTG that had API-standard threading and OCTG that had non-API standard threading.¹² Both subsets of data are presented below.¹³

Reported pricing products represented 11.6 percent of U.S. shipments of U.S.-produced products in the period for which data were collected. Among subject imports, they represent *** percent of shipments of imported product from India, *** from Korea, ***

¹¹ U.S. price data consist primarily of data reported by U.S. mills but also include data reported by U.S. non-toll processors ***. No importer reported any price data for imported items 1-6 that underwent heat treatment in the United States prior to being sold (see Importer's Questionnaire, p. 115).

¹² Premium threading is more common in high-stress applications where seamless OCTG is used, and can add a price premium onto the cost of the OCTG. Hearing transcript, p. 231 (Scianna). To avoid commingling the pricing data, data for the two seamless pricing products were resubmitted separately. Data revisions breaking out product 1 *** and revisions for product 4 ***.

¹³ Some data that was reported by importers or producers was misclassified with respect to the described pricing products. These data were adjusted in order to increase the accuracy of the comparisons.

percent from the Philippines, *** percent from Saudi Arabia, *** percent from Taiwan, *** percent from Thailand, *** percent from Turkey, *** percent from Ukraine, and *** percent from Vietnam.¹⁴ For Chung Hung in Taiwan, which was determined by Commerce to be nonsubject, pricing data accounted for *** percent of its shipments from Taiwan. Pricing data regarding imports from Chung Hung in Taiwan, along with pricing data for five nonsubject countries (Argentina, Canada, Germany, Japan, and Mexico) are presented in appendix E. Domestic price data, along with price data for subject countries are presented in tables V-6 to V-11 and figures V-4 to V-9. All data are reported in short tons and dollars per short ton. Products 6 and 5 had the largest volumes among the pricing products, respectively.

¹⁴ The selected products are representative of those used in the market. Because there are a large variety of grades and sizes of casing and tubing in the OCTG market, these percentages are expectedly small. In particular, plain end OCTG does not represent a large proportion of domestic sales, but does represent a large proportion of OCTG imports.

Table V-6

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 1,¹ including API and non-API threading, non-API threading price premium, and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States – API ²		United States – Non-API ²			India			
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Premium	Price (dollars per ton)	Quantity (tons)	Margin (percent)	
2011:									
Jan.-Mar.	1,804	5,531	***	***	***	***	***	***	
Apr.-Jun.	1,773	6,448	--	0	--	--	0	--	
Jul.-Sept.	1,960	7,390	--	0	--	--	0	--	
Oct.-Dec.	2,040	5,508	--	0	--	--	0	--	
2012:									
Jan.-Mar.	2,034	5,663	***	***	***	***	***	***	
Apr.-Jun.	2,074	6,741	--	0	--	***	***	***	
Jul.-Sept.	2,006	12,623	--	0	--	***	***	***	
Oct.-Dec.	1,911	10,148	***	***	***	***	***	***	
2013:									
Jan.-Mar.	1,766	6,980	--	0	--	***	***	***	
Apr.-Jun.	1,839	9,865	***	***	***	***	***	***	
Jul.-Sept.	1,858	11,253	--	0	--	***	***	***	
Oct.-Dec.	1,833	8,116	***	***	***	***	***	***	
2014:									
Jan.-Mar.	1,783	9,014	***	***	***	--	0	--	
Period	Thailand			Ukraine			Vietnam		
	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:									
Jan.-Mar.	--	0	--	***	***	***	--	0	--
Apr.-Jun.	--	0	--	***	***	***	--	0	--
Jul.-Sept.	--	0	--	***	***	***	--	0	--
Oct.-Dec.	--	0	--	***	***	***	--	0	--
2012:									
Jan.-Mar.	--	0	--	***	***	***	--	0	--
Apr.-Jun.	--	0	--	***	***	***	--	0	--
Jul.-Sept.	***	***	***	***	***	***	--	0	--
Oct.-Dec.	***	***	***	***	***	***	--	0	--
2013:									
Jan.-Mar.	--	0	--	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***	***
Jul.-Sept.	***	***	***	***	***	***	--	0	--
Oct.-Dec.	***	***	***	***	***	***	***	***	***
2014:									
Jan.-Mar.	--	0	--	--	0	--	--	0	--

Note.—One quarter of pricing data were received for imports from Turkey. Turkey does not produce seamless OCTG, so it has been excluded from the data set.

¹ Product 1.-- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless.

² Domestic product 1 is divided into 2 subsets – the first subset contains data for API-threaded OCTG, and the second set contains data for non-API standard threading such as premium or semi-premium threading. No importers of subject OCTG reported non-API threading, so margin comparisons are with respect to API-standard threaded OCTG. The "premium" column represents the difference between the U.S. sales price for non-API standard threaded product with API-standard threaded product.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-7

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 2,¹ and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States		India			Korea		
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	--	0	--	***	***	***
Jul.-Sept.	1,565	10,256	--	0	--	***	***	***
Oct.-Dec.	1,566	12,470	--	0	--	***	***	***
2012:								
Jan.-Mar.	1,538	8,482	--	0	--	***	***	***
Apr.-Jun.	1,478	10,872	--	0	--	***	***	***
Jul.-Sept.	1,448	5,078	--	0	--	***	***	***
Oct.-Dec.	1,364	6,923	***	***	***	***	***	***
2013:								
Jan.-Mar.	1,399	7,327	***	***	***	***	***	***
Apr.-Jun.	1,329	7,774	--	0	--	***	***	***
Jul.-Sept.	1,276	8,762	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2014:								
Jan.-Mar.	***	***	--	0	--	***	***	***
Period	Philippines			Turkey			X	
	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)		
2011:								
Jan.-Mar.	--	0	--	***	***	***		
Apr.-Jun.	***	***	***	***	***	***		
Jul.-Sept.	***	***	***	***	***	***		
Oct.-Dec.	***	***	***	***	***	***		
2012:								
Jan.-Mar.	***	***	***	***	***	***		
Apr.-Jun.	***	***	***	***	***	***		
Jul.-Sept.	***	***	***	***	***	***		
Oct.-Dec.	***	***	***	***	***	***		
2013:								
Jan.-Mar.	***	***	***	1,354	705	3.2		
Apr.-Jun.	***	***	***	***	***	***		
Jul.-Sept.	***	***	***	***	***	***		
Oct.-Dec.	***	***	***	1,154	1,722	***		
2014:								
Jan.-Mar.	1,171	514	***	***	***	***		

¹ Product 2.-- Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-8

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 3,¹ and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States		India			Korea			
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	
2011:									
Jan.-Mar.	1,153	12,402	--	0	--	***	***	***	
Apr.-Jun.	1,202	9,836	--	0	--	***	***	***	
Jul.-Sept.	1,302	11,821	--	0	--	***	***	***	
Oct.-Dec.	1,293	13,536	--	0	--	***	***	***	
2012:									
Jan.-Mar.	1,277	11,373	--	0	--	--	0	--	
Apr.-Jun.	1,272	13,787	--	0	--	***	***	***	
Jul.-Sept.	1,258	15,566	--	0	--	***	***	***	
Oct.-Dec.	1,187	11,180	***	***	***	***	***	***	
2013:									
Jan.-Mar.	1,117	8,458	--	0	--	--	0	--	
Apr.-Jun.	1,149	11,634	***	***	***	***	***	***	
Jul.-Sept.	1,081	13,159	***	***	***	***	***	***	
Oct.-Dec.	1,120	9,572	--	0	--	***	***	***	
2014:									
Jan.-Mar.	1,127	10,562	--	0	--	***	***	***	
Period	Philippines			Taiwan (subject)			Turkey		
	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:									
Jan.-Mar.	--	0	--	***	***	***	--	0	--
Apr.-Jun.	--	0	--	***	***	***	***	***	***
Jul.-Sept.	--	0	--	***	***	***	***	***	***
Oct.-Dec.	--	0	--	--	0	--	***	***	***
2012:									
Jan.-Mar.	--	0	--	--	0	--	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***	***
Jul.-Sept.	--	0	--	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***	***
2013:									
Jan.-Mar.	***	***	***	***	***	***	--	0	--
Apr.-Jun.	***	***	***	***	***	***	***	***	***
Jul.-Sept.	--	0	--	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***	***
2014:									
Jan.-Mar.	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table V-8--Continued

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 3,¹ and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States		Vietnam		
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:					
Jan.-Mar.	1,153	12,402	--	0	--
Apr.-Jun.	1,202	9,836	--	0	--
Jul.-Sept.	1,302	11,821	***	***	***
Oct.-Dec.	1,293	13,536	***	***	***
2012:					
Jan.-Mar.	1,277	11,373	***	***	***
Apr.-Jun.	1,272	13,787	***	***	***
Jul.-Sept.	1,258	15,566	***	***	***
Oct.-Dec.	1,187	11,180	***	***	***
2013:					
Jan.-Mar.	1,117	8,458	***	***	***
Apr.-Jun.	1,149	11,634	***	***	***
Jul.-Sept.	1,081	13,159	***	***	***
Oct.-Dec.	1,120	9,572	***	***	***
2014:					
Jan.-Mar.	1,127	10,562	***	***	***

¹ Product 3.-- Casing, Grade J-55, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-9

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 4,¹ including API and non-API threading, non-API threading price premium, and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States – API ²		United States – non-API ²			India			
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Premium	Price (dollars per ton)	Quantity (tons)	Margin (percent)	
2011:									
Jan.-Mar.	1,915	1,698	--	0	--	***	***	***	
Apr.-Jun.	1,806	203	--	0	--	***	***	***	
Jul.-Sept.	***	***	--	0	--	1,659	1,251	***	
Oct.-Dec.	***	***	--	0	--	***	***	***	
2012:									
Jan.-Mar.	1,895	6,085	--	0	--	1,736	867	8.4	
Apr.-Jun.	1,905	5,146	--	0	--	***	***	***	
Jul.-Sept.	1,762	4,385	--	0	--	***	***	***	
Oct.-Dec.	***	***	--	0	--	***	***	***	
2013:									
Jan.-Mar.	1,600	9,006	--	0	--	***	***	***	
Apr.-Jun.	***	***	***	***	***	***	***	***	
Jul.-Sept.	1,520	2,701	***	***	***	1,473	1,067	3.1	
Oct.-Dec.	1,544	1,362	***	***	*** ³	***	***	***	
2014:									
Jan.-Mar.	***	***	***	***	***	***	***	***	
Period	Saudi Arabia			Thailand			Ukraine		
	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:									
Jan.-Mar.	***	***	***	--	0	--	***	***	***
Apr.-Jun.	***	***	***	--	0	--	***	***	***
Jul.-Sept.	***	***	***	--	0	--	--	0	--
Oct.-Dec.	***	***	***	--	0	--	***	***	***
2012:									
Jan.-Mar.	***	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	--	0	--	***	***	***
Jul.-Sept.	***	***	***	--	0	--	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***	***
2013:									
Jan.-Mar.	***	***	***	--	0	--	--	0	--
Apr.-Jun.	***	***	***	--	0	--	--	0	--
Jul.-Sept.	***	***	***	--	0	--	***	***	***
Oct.-Dec.	***	***	***	***	***	***	--	0	--
2014:									
Jan.-Mar.	***	***	***	--	0	--	--	0	--

Table continued on next page.

Table V-9--Continued

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 4,¹ including API and non-API threading, non-API threading price premium, and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States – API ²		Vietnam		
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:					
Jan.-Mar.	1,915	1,698	--	0	--
Apr.-Jun.	1,806	203	--	0	--
Jul.-Sept.	***	***	--	0	--
Oct.-Dec.	***	***	--	0	--
2012:					
Jan.-Mar.	1,895	6,085	--	0	--
Apr.-Jun.	1,905	5,146	***	***	***
Jul.-Sept.	1,762	4,385	--	0	--
Oct.-Dec.	***	***	--	0	--
2013:					
Jan.-Mar.	1,600	9,006	--	0	--
Apr.-Jun.	***	***	--	0	--
Jul.-Sept.	1,520	2,701	***	***	***
Oct.-Dec.	1,544	1,362	--	0	--
2014:					
Jan.-Mar.	***	***	--	0	--

¹ Product 4.-- Casing, Grade P-110, 5 ½" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless.

² Domestic product 4 is divided into 2 subsets – the first subset contains data for API-threaded OCTG, and the second set contains data for non-API standard threading such as premium or semi-premium threading. No importers of subject OCTG reported non-API threading, so margin comparisons are with respect to API-standard threaded OCTG. The “premium” column represents the difference between the U.S. sales price for non-API standard threaded product with API-standard threaded product.

³ Price data for this quarter were affected by ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-10

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 5,¹ and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States		India			Korea			
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	
2011:									
Jan.-Mar.	1,130	17,726	***	***	***	***	***	***	
Apr.-Jun.	1,208	13,018	--	0	--	***	***	***	
Jul.-Sept.	1,258	9,338	***	***	***	***	***	***	
Oct.-Dec.	1,296	18,333	***	***	***	***	***	***	
2012:									
Jan.-Mar.	1,280	22,639	--	0	--	***	***	***	
Apr.-Jun.	1,272	23,542	--	0	--	--	0	--	
Jul.-Sept.	1,242	25,329	--	0	--	***	***	***	
Oct.-Dec.	1,193	25,024	***	***	***	***	***	***	
2013:									
Jan.-Mar.	1,110	23,751	***	***	***	***	***	***	
Apr.-Jun.	1,104	25,261	***	***	***	--	0	--	
Jul.-Sept.	1,130	25,321	***	***	***	--	0	--	
Oct.-Dec.	1,118	24,952	--	0	--	--	0	--	
2014:									
Jan.-Mar.	1,131	28,322	***	***	***	***	***	***	
Period	Philippines			Taiwan (subject)			Turkey		
	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:									
Jan.-Mar.	--	0	--	***	***	***	***	***	***
Apr.-Jun.	--	0	--	***	***	***	***	***	***
Jul.-Sept.	--	0	--	***	***	***	--	0	--
Oct.-Dec.	--	0	--	***	***	***	***	***	***
2012:									
Jan.-Mar.	--	0	--	***	***	***	***	***	***
Apr.-Jun.	--	0	--	***	***	***	***	***	***
Jul.-Sept.	***	***	***	***	***	***	***	***	***
Oct.-Dec.	--	0	--	***	***	***	***	***	***
2013:									
Jan.-Mar.	***	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	--	0	--
Jul.-Sept.	***	***	***	***	***	***	***	***	***
Oct.-Dec.	--	0	--	***	***	***	***	***	***
2014:									
Jan.-Mar.	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table V-10--Continued

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 5,¹ and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States		Vietnam		
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:					
Jan.-Mar.	1,130	17,726	***	***	***
Apr.-Jun.	1,208	13,018	***	***	***
Jul.-Sept.	1,258	9,338	***	***	***
Oct.-Dec.	1,296	18,333	***	***	***
2012:					
Jan.-Mar.	1,280	22,639	***	***	***
Apr.-Jun.	1,272	23,542	***	***	***
Jul.-Sept.	1,242	25,329	***	***	***
Oct.-Dec.	1,193	25,024	***	***	***
2013:					
Jan.-Mar.	1,110	23,751	***	***	***
Apr.-Jun.	1,104	25,261	***	***	***
Jul.-Sept.	1,130	25,321	***	***	***
Oct.-Dec.	1,118	24,952	***	***	***
2014:					
Jan.-Mar.	1,131	28,322	***	***	***

¹ Product 5.-- Casing, Grade J-55, 8 5/8" O.D., 32.0 lbs./ft., threaded and coupled, range 3, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-11

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 6,¹ and margins of underselling/(overselling), by quarter, January 2011-March 2014

Period	United States		India			Korea			
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	
2011:									
Jan.-Mar.	1,155	28,362	--	0	--	***	***	***	
Apr.-Jun.	1,237	34,555	--	0	--	***	***	***	
Jul.-Sept.	1,291	30,419	--	0	--	***	***	***	
Oct.-Dec.	1,294	43,763	--	0	--	***	***	***	
2012:									
Jan.-Mar.	1,293	47,873	--	0	--	***	***	***	
Apr.-Jun.	1,270	35,100	***	***	***	***	***	***	
Jul.-Sept.	1,221	43,430	***	***	***	***	***	***	
Oct.-Dec.	1,163	43,753	***	***	***	***	***	***	
2013:									
Jan.-Mar.	1,112	44,384	***	***	***	***	***	***	
Apr.-Jun.	1,101	54,817	***	***	***	***	***	***	
Jul.-Sept.	1,082	50,126	***	***	***	***	***	***	
Oct.-Dec.	1,102	56,113	***	***	***	***	***	***	
2014:									
Jan.-Mar.	1,103	42,111	***	***	***	***	***	***	
Period	Philippines			Taiwan (subject)			Turkey		
	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)	Price (dollars per ton)	Quantity (tons)	Margin (percent)
2011:									
Jan.-Mar.	--	0	--	--	0	--	***	***	***
Apr.-Jun.	--	0	--	***	***	***	***	***	***
Jul.-Sept.	--	0	--	***	***	***	***	***	***
Oct.-Dec.	--	0	--	***	***	***	***	***	***
2012:									
Jan.-Mar.	--	0	--	***	***	***	***	***	***
Apr.-Jun.	--	0	--	***	***	***	***	***	***
Jul.-Sept.	***	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***	***
2013:									
Jan.-Mar.	***	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***	***
Jul.-Sept.	***	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***	***
2014:									
Jan.-Mar.	***	***	***	***	***	***	***	***	***

¹ Product 6.-- Casing, Grade J-55, 9 5/8" O.D., 36.0 lbs./ft., threaded and coupled, range 3, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-4

OCTG: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarter, January 2011-March 2014

* * * * *

Figure V-5
OCTG: Weighted-average f.o.b. prices and quantities of domestic product 2, by quarter, January 2011-March 2014

* * * * *

Figure V-6
OCTG: Weighted-average f.o.b. prices and quantities of domestic product 3, by quarter, January 2011-March 2014

* * * * *

Figure V-7
OCTG: Weighted-average f.o.b. prices and quantities of domestic product 4, by quarter, January 2011-March 2014

* * * * *

Figure V-8
OCTG: Weighted-average f.o.b. prices and quantities of domestic product 5, by quarter, January 2011-March 2014

* * * * *

Figure V-9
OCTG: Weighted-average f.o.b. prices and quantities of domestic product 6, by quarter, January 2011-March 2014

* * * * *

Price trends

In general, prices increased during 2011, decreased during 2012 and in the first quarter of 2013, and then leveled off or slightly increased in the second half of 2013 and the first quarter of 2014. Table V-12 summarizes the price trends, by country and by product. Domestic prices were lower (1.2 to 19.3 percent) for five of the six products in the first quarter of 2014 compared with the first quarter of 2011.¹⁵ Domestic prices were highest in either the third or fourth quarter of 2011 for five of the six pricing products, and lowest in the first through third quarters of 2013 for five of the six pricing products. Domestic prices for product 2, however, generally declined from its peak in late 2011 through the rest of the period.

¹⁵ The price of product 5 increased by 0.1 percent.

Table V-12

OCTG: Summary of weighted-average prices for products 1 through 6 from the United States and subject countries

* * * * *

Prices for the domestically produced welded OCTG products (products 2, 3, 5, and 6) moved in a somewhat similar fashion between the first quarter of 2011 and the first quarter of 2014, as did the seamless products (products 1 and 4). The largest quarterly price decreases occurred with respect to the seamless products. In the last two quarters of 2012, prices for product 4 decreased by more than *** percent each quarter, whereas prices for product 1 decreased by approximately *** percent in those two quarters combined, but a further *** percent in the first quarter of 2013. General price trends for domestic prices are also presented in figure V-10.

Figure V-10

OCTG: Quarterly changes in domestic prices for products 1 through 6

* * * * *

Pricing data for importers was more varied, both in terms of price changes between the first and last year of the period, and with respect to when the highest or lowest values were observed. Importer price changes ranged between a decrease of 42.9 percent and an increase of 24.3 percent. Prices for imported OCTG were lower in the last quarter of available data compared with the first quarter of available data in 16 of 19 comparisons where data were available in at least one of the first four quarters and one of the last four quarters of the period.

In general, the prices for the imported product tended to move in the same general direction as domestic prices over time, although with much more varied patterns. Part of this may be due to some large swings in quantities of imports from various countries. For example, for product 1 from India, there were *** short tons shipped in the third quarter of 2012 compared with *** short tons in the preceding quarter and *** tons in the quarter afterward. Some variation also may reflect differences in the particular importers reporting in a given quarter.

Price comparisons

As shown in table V-13, prices for OCTG imported from the subject countries were below those for U.S.-produced product in 239 of 276 possible instances; margins of underselling ranged from 0.3 to 37.8 percent, averaging 8.0 percent. In the remaining 37 instances, prices for OCTG from the nine subject countries were between 0.0 and 29.7 percent above prices for the domestic product, averaging 7.2 percent.

Table V-13

OCTG: Instances of underselling/overselling and the range and average margins, all subject countries combined, January 2011-March 2014

Product	Number of quarters of underselling	Number of quarters of (overselling)	Margins of underselling			Margins of (overselling)		
			Average (percent)	Range (percent)		Average (percent)	Range (percent)	
				Min	Max		Min	Max
1	29	0	***	***	***	--	--	--
2	37	6	***	***	***	***	***	***
3	48	5	***	***	***	***	***	***
4	29	10	***	***	***	***	***	***
5	48	11	***	***	***	***	***	***
6	48	5	***	***	***	***	***	***
Total	239	37	8.0	0.3	37.8	(7.2)	(0.0)	(29.7)

Source: Compiled from data submitted in response to Commission questionnaires.

Data by country are provided in table V-14. The countries with the greatest number of possible comparisons were Turkey, India, and Korea. All countries undersold U.S. OCTG in at least two-thirds of quarters for which comparisons were possible.

Products 1 and 4 are seamless products. Among these products, there were 55 quarters of underselling, compared with 10 quarters of overselling. For welded products (products 2, 3, 5, and 6) in general, there were 181 quarters of underselling and 27 quarters of overselling.

When comparing margins among all subject countries, the average margins of underselling ranged between *** percent (Saudi Arabia) and *** percent (Ukraine). The country with the largest average margins of underselling was Ukraine (*** percent) although India, Thailand, and Vietnam each had average margins of underselling ***. Average overselling margins ranged between *** percent (Taiwan (subject)) and 12.5 percent (India).

Table V-14
OCTG: Instances of underselling/overselling and the range and average margin by country,
January 2011-March 2014

Product and Country	Number of quarters of underselling	Number of quarters of (overselling)	Margins of underselling			Margins of (overselling)		
			Average (percent)	Range (percent)		Average (percent)	Range (percent)	
				Min	Max		Min	Max
India								
1	9	0	***	***	***	--	--	--
2	2	3	***	***	***	***	***	***
3	2	1	***	***	***	***	***	***
4	9	4	***	***	***	***	***	***
5	7	1	***	***	***	***	***	***
6	8	0	***	***	***	--	--	--
Total	37	9	9.8	0.4	30.9	(12.5)	(0.7)	(29.7)
Korea								
2	12	1	***	***	***	***	***	***
3	10	1	***	***	***	***	***	***
5	7	2	***	***	***	***	***	***
6	13	0	***	***	***	--	--	--
Total	42	4	7.3	0.6	37.8	(6.3)	(2.2)	(10.6)
Philippines								
2	11	1	***	***	***	***	***	***
3	6	0	***	***	***	--	--	--
5	5	0	***	***	***	--	--	--
6	6	1	***	***	***	***	***	***
Total	28	2	6.8	1.2	12.6	***	***	***
Saudi Arabia								
4	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***

Table continued on next page.

Table V-14--Continued

OCTG: Instances of underselling/overselling and the range and average margin by country, January 2011-March 2014

Product and Country	Number of quarters of underselling	Number of quarters of (overselling)	Margins of underselling			Margins of (overselling)		
			Average (percent)	Range (percent)		Average (percent)	Range (percent)	
				Min	Max		Min	Max
Taiwan (subject)								
3	9	2	***	***	***	***	***	***
5	10	3	***	***	***	***	***	***
6	11	1	***	***	***	***	***	***
Total	30	6	6.0	0.8	16.3	***	***	***
Thailand								
1	5	0	***	***	***	--	--	--
4	2	1	***	***	***	***	***	***
Total	4	1	***	***	***	***	***	***
Turkey								
2	12	1	***	***	***	***	***	***
3	10	1	***	***	***	***	***	***
5	8	3	***	***	***	***	***	***
6	10	3	***	***	***	***	***	***
Total	40	8	6.6	0.3	11.7	(5.3)	(0.1)	(24.0)
Ukraine								
1	12	0	***	***	***	--	--	--
4	7	1	***	***	***	***	***	***
Total	19	1	***	***	***	***	***	***
Vietnam								
1	3	0	***	***	***	--	--	--
3	11	0	***	***	***	--	--	--
4	2	0	***	***	***	--	--	--
5	11	2	***	***	***	***	***	***
Total	27	2	9.2	2.9	22.1	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

LOST SALES AND LOST REVENUES

The Commission requested that U.S. producers of OCTG to report any instances of lost sales or revenue they experienced due to competition from imports of OCTG from India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam since January 2010. All but two allegations involved imports from Korea. The majority were included in the petition, although *** added allegations in their preliminary or final questionnaire responses.¹⁶ The 84 lost sales allegations totaled \$285 million and involved 167,079 short tons and the 15 lost revenue allegations totaled \$11.2 million and involved 19,197 short tons. Staff contacted 28 purchasers; a summary of the information obtained is presented in tables V-15 and V-16 along with the 18 responding purchasers' replies. In total, purchasers agreed with allegations totaling 42,501 short tons of lost sales, accounting for \$68.2 million, as well as 9,905 short tons of lost revenue accounting for \$935,287. *** of the confirmed instances involved OCTG from ***. Of the 10 responding U.S. producers, nine reported that they had to either reduce prices or roll back announced price increases.

Table V-15
OCTG: U.S. producers' lost sales allegations

* * * * * * *

Table V-16
OCTG: U.S. producers' lost revenue allegations

* * * * * * *

The majority of purchasers provided comments regarding the allegations. *** stated that they could not recall the specific allegations and were therefore unable to provide verification. *** stated that it had insufficient information to make any conclusions regarding OCTG pricing by U.S. producers. *** further noted that it purchases a mix of products from domestic and foreign producers, but that no orders were "pulled" from U.S. producers since 2010. It added that U.S. producers have occasionally reduced their price on specific quotes to compete with foreign producers of OCTG.

*** agreed with the alleged price differences, but did not purchase the imported foreign OCTG out of support for domestic mills. However, it stated that domestic producers of OCTG have had to lower their prices to compete with the imported product. According to its response, "our selling price has decreased ***% selling domestic product."

*** agreed with both allegations, and stated that it was a long term domestic customer lost to a Korean product based on price.

*** disagreed with the allegation and further stated that they did not know which transaction the allegation was referring to. They also stated that there are many factors which

¹⁶ Not all allegations contained sufficient contact information for the Commission to confirm the allegations. Those allegations without sufficient information are not included in this presentation. All other allegations were investigated.

determine whether a sale is won or lost. These factors may include, but are not limited to, quality, mill delivery, requirement dates, relationships, customer preference, construction, reputation, etc.

For ***, price did influence the choice to shift purchases away from domestic producers, but “availability of domestic tons for specific requirements also plays a big part in the selection of tubulars.”

*** commented that it only began focusing on domestic mill sources in ***, but noted that domestic producers have reduced their prices since late 2012 as a result of oversupply and more competitive market conditions.

*** stated that its rejection of the original quote from U.S. producers was not necessarily in response to competing imports from the specified subject country, but that, in general, domestic mills are forced to lower prices to compete with imported OCTG product prices.

*** noted that “these {foreign} mills were always below domestic pricing,” and that “to sell domestic pipe, it requires an end user that prefers it, and is willing to spend more to have it. Otherwise, the prices are too high.” Even in cases where domestic producers reduced their prices, it stated that the cost of domestically produced OCTG was “still higher than the mills mentioned in this trade case.”

*** added that prices of OCTG from the specified subject country are roughly \$***/short ton less expensive than domestic goods. It further noted that it prefers domestic product, and thus often ***.

In addition to the data regarding the specific allegations, purchasers named in the allegations during the preliminary phase of these investigations were asked two questions regarding the OCTG market. The first is whether the purchaser switched suppliers from a U.S. producer to imports of subject product since January 2010, and if price was the reason for the switch. They were also asked if U.S. producers had to decrease their prices in order to compete with the price of OCTG from subject sources. Responses are presented in table V-17. Six of 15 responding purchasers noted switching to subject imports, with each reporting that they did so for price reasons. Eleven of 14 responding purchasers indicated that U.S. producers had to reduce their prices to compete with OCTG from subject countries.

Table V-17
OCTG: Purchasers’ responses regarding shifting supply and price reductions

* * * * *

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Seventeen U.S. firms provided useable financial data on their operations on OCTG.¹ These data are believed to account for the vast majority of U.S. production of OCTG in 2013. No firm reported internal consumption and *** reported transfers in the financial section of the Commission's questionnaire. Three non-toll independent processors provided data on their operations on OCTG, which were equivalent to *** percent by value of mill sales in 2013. Five firms provided data on their tolling operations on OCTG, which were equivalent to *** percent of mill sales by value in 2013. All but three of the firms reported a fiscal year end of December 31.

In 2013, nine mills² reported producing welded OCTG casing and tubing and four mills reported producing seamless OCTG casing and tubing (there is some overlap as U.S. Steel and TMK IPSCO produce both seamless and welded OCTG casing and tubing); the same four mills that produce seamless casing and tubing reported producing seamless coupling stock. As noted earlier in this report, the production of welded OCTG casing and tubing increased between 2011 and 2013 by 497,535 short tons, or 26.9 percent (nine of ten firms reported increased production, including ***). The production of seamless OCTG casing and tubing also increased between the two full years (by 236,954 short tons or 16.6 percent, accounted for mostly by ***). As noted, four firms produced seamless OCTG coupling stock in 2013, the production of which declined by 6,059 short tons (11.2 percent) between 2011 and 2013. Overall, production is concentrated among a few firms: The top four firms, ***, accounted for *** percent of total net sales by quantity and *** percent by value in 2013.

As noted in the preliminary-phase staff report, several U.S. producers started producing or expanded their production of OCTG since 2010, including ***.³ These firms together accounted for approximately *** percent of the mills' and processors' combined operating income in 2013, largely accounted for by ***.

¹ These firms include 11 OCTG-producing mills, three non-toll processors, and five firms reporting tolling data (***). The OCTG-producing mills are: ***. The three non-toll processors are: ***. Five firms provided tolling data (section V of the Commission's questionnaire): ***. The majority of U.S. producers reported their financial results on the basis of GAAP. Maverick and TMK IPSCO reported theirs on the basis of International Financial Reporting Standards (IFRS).

Differences between the trade and financial sections of the Commission's questionnaire are accounted for by timing differences, differences in rounding, and because ***.

² This does not include ***.

³ *Certain Oil Country Tubular Goods from India, Korea, The Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam, Investigation Nos. 701-TA-499-500 and 731-TA-1215-1223 (Preliminary)*, USITC Publication 4422, August 2013, p. VI-1.

OPERATIONS ON OCTG

Income-and-loss data for U.S. producers' mill operations on OCTG are presented in table VI-1; table VI-2 presents similar information for U.S. processors; and table VI-3 presents selected company-specific financial data for U.S. mills and U.S. non-toll processors together. The results of operations on OCTG are briefly described here: For the reporting mills, total net sales rose by quantity and value between 2011 and 2013 and both were greater in January-March 2014 compared with the same period in 2013. The average unit sales values declined irregularly between 2011 and 2013 and were lower in January-March 2014 compared with January-March 2013. Total cost of goods sold ("COGS") and total selling, general, and administrative ("SG&A") expenses increased between the yearly periods in dollar terms, and both were greater in January-March 2014 compared with January-March 2013. The ratio of COGS to sales increased between the yearly periods and was greater in January-March 2014 compared with January-March 2013; per-unit total COGS declined irregularly from 2011 to 2013 but was greater in January-March 2014 compared with January-March 2013. The change in total COGS was led by the cost categories of raw material costs and other factory costs. Total operating income was positive in each period but fell from 2011 to 2013 in dollar terms, as a ratio to sales, and on a per-unit basis, and was lower by each measure in January-March 2014 than in the one-year prior period. Net income before taxes and cash flows was positive in 2011 and 2012, but decidedly negative in 2013, ***. Net income was positive in interim 2013 but negative in interim 2014; cash flow was positive in both interim periods.

Table VI-1

OCTG: Results of operations of U.S. mills, fiscal years 2011-13, January-March 2013, and January-March 2014

Item	Fiscal year			January-March	
	2011	2012	2013	2013	2014
	Quantity (short tons)				
Total net sales	3,306,386	3,602,983	4,010,042	929,328	1,032,178
	Value (1,000 dollars)				
Total net sales	5,590,347	6,235,687	6,229,566	1,450,989	1,591,597
Cost of goods sold (COGS):					
Raw materials	2,677,605	2,966,086	3,161,396	735,729	818,588
Direct labor	426,046	494,572	517,931	119,640	134,428
Other factory costs	1,432,759	1,697,472	1,731,902	392,907	467,581
Total COGS	4,536,410	5,158,130	5,411,229	1,248,276	1,420,597
Gross profit	1,053,937	1,077,557	818,337	202,713	171,000
SG&A expense	412,811	463,714	506,639	115,314	124,365
Operating income	641,126	613,843	311,698	87,399	46,635
Other expense or (income), net ¹	170,099	***	***	***	***
Net income or (loss)	471,027	***	***	***	***
Depreciation/amortization	220,066	***	***	***	***
Cash flow	691,093	***	***	***	***
	Ratio to net sales (percent)				
COGS:					
Raw materials	47.9	47.6	50.7	50.7	51.4
Direct labor	7.6	7.9	8.3	8.2	8.4
Other factory costs	25.6	27.2	27.8	27.1	29.4
Average COGS	81.1	82.7	86.9	86.0	89.3
Gross profit	18.9	17.3	13.1	14.0	10.7
SG&A expense	7.4	7.4	8.1	7.9	7.8
Operating income	11.5	9.8	5.0	6.0	2.9
Net income or (loss)	8.4	***	***	***	***

Table continued on next page.

Table VI-1--Continued**OCTG: Results of operations of U.S. mills, fiscal years 2011-13, January-March 2013, and January-March 2014**

Item	Fiscal year			January-March	
	2011	2012	2013	2013	2014
	Unit value (dollars per short ton)				
Total net sales	1,691	1,731	1,553	1,561	1,542
COGS:					
Raw materials	810	823	788	792	793
Direct labor	129	137	129	129	130
Other factory costs	433	471	432	423	453
Average COGS	1,372	1,432	1,349	1,343	1,376
Gross profit	319	299	204	218	166
SG&A expense	125	129	126	124	120
Operating income	194	170	78	94	45
Net income or (loss)	142	***	***	***	***
	Number of firms reporting				
Operating losses ²	***	***	4	***	3
Data	10	9	11	9	10

¹ Composed of interest expense, other expenses, and other income. The category of "other expenses" led to the industry as a whole recording a net loss in 2013. This was from ***.

² Firms reporting an operating loss were: ***.

Source: Compiled from data submitted in response to Commission questionnaires.

In addition to results of operations reported by U.S. mills in table VI-1, three firms, ***, reported data on their non-toll processing operations. These data are shown in table VI-2 and in the firm-by-firm data in table VI-3.

Table VI-2**OCTG: Results of operations of non-toll processors, fiscal years 2011-13, January-March 2013, and January-March 2014**

* * * * * * *

Table VI-3**OCTG: Results of operations of U.S. mills and non-toll processors, by firm, fiscal years 2011-13, January-March 2013, and January-March 2014**

* * * * * * *

Total net sales quantity and value

As the data in table VI-1 indicate, total net sales increased by 703,656 short tons (21.3 percent) between 2011 and 2013 and were greater by 102,850 short tons (11.1 percent) in January-March 2014 than in January-March 2013; by value, the increase was \$639.2 million

(11.4 percent) between 2011 and 2013 and total net sales were greater by \$140.6 million (9.7 percent) in January-March 2014 than in January-March 2013. The quantity of total net sales increased from 2011 to 2012 and from 2012 to 2013 although it increased more between 2012 and 2013 than between 2011 and 2012. The increase of the value of total net sales took place between 2011 and 2012 as total sales value fell by \$6.1 million between 2012 and 2013. Between these two yearly periods, five of nine mills for which data are comparable reported lower sales, and much of the decline was accounted for by the data of ***. Four mills reported higher sales, by value, in 2013 compared with 2012: ***.

As the data in table VI-3 indicate, directional changes in period-to-period sales were generally the same for a majority of the reporting firms. It also appears that changes in average sales values were due to changes in underlying prices as opposed to changes in product mix.⁴ The average unit value of total net sales of the reporting firms did not keep pace with the increase in quantity, and thus the average unit sales value declined between the two full yearly periods for nearly all U.S. mills (exceptions are those mills and non-toll processors that did not report data in 2011, for which no comparison may be made, and by ***).

Four firms, ***, responded to the Commission’s question on start-up and/or expansion of production capacity.⁵ The sales quantity and operating costs related to incremental expansion was ***. The incremental costs were equivalent to *** percent of total COGS in 2011, *** percent in 2012, and *** percent in 2013.⁶

⁴ The steel industry sometimes uses a measure termed the “metal spread,” which denotes the difference between the average unit values of sales and raw material costs. If the difference widens, this usually means that sales are increasing more than raw material costs, whereas if the spread decreases, it may mean that sales are decreasing more than raw material costs. Whether for mills only (table VI-1) or for mills and non-toll processors combined, the metal spread widened slightly from 2011 to 2012 (sales AUVs increasing more than raw material costs’ AUVs) and narrowed between 2012 and 2013, and was smaller in interim 2014 than in interim 2013 (sales AUVs decreasing more than raw material costs’ AUVs). These are shown in the following tabulation:

Metal spread	2011	2012	2013	January-March	
				2013	2014
Average unit value (dollars per short ton)					
U.S. mills	881	907	765	770	749
U.S. mills and non-toll processors	***	***	***	***	***

With respect to the relationship between prices and raw material costs, see Posthearing brief of Maverick, exh. 1, pp. 18-19; see also hearing transcript, pp. 106-107 (Shoaff—pricing in the U.S. market is very transparent).

⁵ Section III-10 of the U.S. producers’ questionnaire. ***. E-mail from ***.

⁶ Calculated by dividing the reported incremental start-up/investment costs by total COGS in table VI-1.

Operating costs and expenses

Total COGS of mills and non-toll processors together (table VI-3) increased between 2011 and 2013 in dollar terms by \$*** (**% percent), which represented a slightly smaller percentage-rate increase than that of sales volume but twice the rate of sale value; total COGS was greater in January-March 2014 than in January-March 2013 by \$*** (**% percent). The ratio of total COGS to total net sales increased by ** percentage points from 2011 to 2013 and was higher in January-March 2014 than in January-March 2013 by ** percentage points; directional changes were similar for the majority of firms, with one exception being that of **. Most of the increase in the absolute value of total COGS occurred between 2011 and 2012. Between 2011 and 2013, directional changes in the value of total COGS were generally the same for each firm. Between 2012 and 2013, changes differed by firm: Total COGS of four firms fell and that of seven firms increased out of 11 firms for which comparison can be made; and total COGS of seven firms out of 11 firms for which a comparison may be made was greater in January-March 2014 than in January-March 2013.

Total raw material costs, the single largest cost component of OCTG, increased in dollar terms and as a ratio to sales with increasing sales volume between 2011 and 2013 and was greater in January-March 2014 than in January-March 2013. On a per-unit value basis, it was little changed comparing 2013 with 2011 or January-March 2013 and January-March 2014. The pattern was somewhat consistent during the period—overall, raw material costs increased between 2011 and 2013, with most of the increase occurring between 2011 and 2012. As a ratio to total net sales, the cost categories of raw material costs and other factory costs increased the most for mills (table VI-1); for processors, the cost category of raw materials increased while those of direct labor and other factory costs declined between 2011 and 2013 (table VI-2). Other factory costs of mills and processors also increased in dollar terms; for mills, other factory costs increased on a per-unit basis during the yearly periods; most of this is accounted for by the greater volume of sales and some, to a much smaller extent, is accounted for by start-up problems of certain U.S. producers.⁷ For mills, other factory costs were greater in January-March 2014 than in January-March 2013 in dollar terms, as a ratio to total sales, and on a per-unit basis. As a share of total COGS, however, each of the three cost categories was relatively stable between the reporting periods.

Total SG&A expenses of mills and processors rose in dollar terms between the yearly periods and were greater in January-March 2014 than in January-March 2013. SG&A expenses increased slightly between 2011 and 2013 and were flat between the interim periods; on a per-unit basis SG&A expenses were flat throughout the period. Generally, the direction of change by firm tracked the industry total and ratio to net sales, except for **.

⁷ For example, **. Questionnaire response of **, section III-9. Also, **. These firms' other factory costs and total COGS represent a small percentage of the industry's total costs in these two categories.

Profitability

As depicted in tables VI-1, VI-2, and VI-3, gross profit and operating income of mills and non-toll processors fell from 2011 to 2013 and both indicators were lower in January-March 2014 than in January-March 2013. Similarly, gross profit and operating income as a ratio to total net sales and the per-unit value of those two indicators fell between the yearly periods and were lower in January-March 2014 than in January-March 2013. The number of mills and non-toll processors recording operating losses are shown in tables VI-1 and VI-2, respectively. The total number of mills and non-toll processors reporting losses combined was *** firms in both 2011 and 2012, but increased to six firms in 2013; and four firms reported operating losses in each of the two quarterly periods. Among reporting mills, *** reported operating losses in each period, while non-toll processors *** reported operating losses. Overall, operating income fell from 2011 to 2013, with the majority of the decline occurring between 2012 and 2013. The lower reported operating income of *** accounted for a large share of the total reduction of industry operating income between 2012 and 2013. Industry operating income also was lower in January-March 2014 than in January-March 2013 and while operating income of eight firms out of 11 firms for which a comparison may be made was lower, the reduction of operating income of *** accounted for a majority of the reduction of industry operating income between those two interim periods.

Net income before taxes and cash flow followed the change in operating income and incorporated an increase in other expenses. Both net income and cash flow fell substantially between 2012 and 2013 (and were negative in the latter year); also, both were much lower in January-March 2014 than in January-March 2013. The change between 2012 and 2013 was primarily due to a dramatic increase in the category of “all other expenses,” which rose from approximately *** percent of sales revenue to *** percent. The increase was largely accounted for ***.⁸ Interest charges were relatively stable at approximately 2 percent of sales revenue in each reporting period.

Tolling

In a tolling arrangement, one firm (the tollee) provides the input material (retaining title to the input) to another, often independent, firm (the toller) which upgrades the input to the desired form and quality. In the case of OCTG, the toll processing that is performed is typically that of heat-treating of tubular products to their final API grade. Five firms reported data on their tolling operations; of these, two firms, Texas Steel Conversion and Tubular Services, accounted for the majority of reported data and *** (other firms reporting tolling data were

⁸ Questionnaire responses of ***. Other firms that reported data in the category of other expenses in 2013 included ***.

RDT, EnergeX Tube,⁹ and Laguna Tubular Products although these firms did not report data in all periods).

With respect to tolling, the Commission has examined value-added by tollers. A value-added calculation shows two ratios: (1) a ratio of the sum of direct factory labor and factory overhead costs (conversion costs) to cost of goods sold (COGS); and (2) a ratio of conversion costs plus selling, general, and administrative expenses (SG&A) to the sum of COGS and SG&A expenses. Ratio 1 varies from *** percent (in 2011) to *** percent (in 2013) and from *** percent (interim 2014) to *** percent (interim 2013). Ratio 2 varies from *** percent (2012) to *** percent (2013) and from *** percent (interim 2014) to *** percent (interim 2013).¹⁰ Similarly, the ratio 1 value-added by non-toll processors varied from *** percent (2012) to *** percent (2011) and from *** percent (interim 2014) to *** percent (interim 2013). Ratio 2 value-added for non-toll processors varied from 32.0 percent (2012) to *** percent (2011) and was *** percent in 2013; ratio 2 in interim 2013 was *** percent while in interim 2014 it was *** percent. Tolling data are presented in table VI-4.

Table VI-4
OCTG: Results of operations of U.S. toll producers, 2011-13, January-March 2013, and January-March 2014

* * * * *

⁹ EnergeX Tube reported tolling in 2012 only on behalf of ***. The firm stated that ***. E-mail from ***.

¹⁰ This depicts the incremental amount of value added to the unfinished tubular products by processing. Processing includes heat treatment as well as threading, coupling, and testing operations. For the purposes of computing these ratios, Commission staff estimated “raw material costs” by using the average unit value of raw materials as reported by non-toll processors (shown in table VI-2, earlier) and applying that value to the reported tolled quantity in table VI-4. The product is an estimated value of raw materials (tubular inputs) provided to the toller by the tollee and provides the basis of the value-added calculation. These ratios may change depending on whether the tollee purchased or produced the tubular inputs. The raw material input in tolling transaction would be at cost in the case of a producer (i.e., sales profit excluded) but at a purchase cost (i.e., including sales profit) in the case of a distributor or importer that contracted for the tolling service. Hence, the two ratios may be somewhat lower in the case of purchased tubular inputs because the estimated value of raw materials includes producer’s sales profit, which is estimated here; the ratios would be higher in the case of a producer contracting for tolling because the input would be at cost.

Variance analysis

The variance analysis showing the effects of prices and volume on U.S. mills' net sales of OCTG, and of costs and volume on their total expenses, is presented in table VI-5 while table VI-6 presents a variance analysis for mills and non-toll processors combined.¹¹ The information for this variance analysis is derived from data for mills in table VI-1, and for mills and non-toll processors together in tables VI-2 and VI-3. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. As shown in table VI-5, the variance analysis for the reporting mills indicates that the decline in operating income between 2011 and 2013 and between 2012 and 2013 was entirely due to the effect of an unfavorable price variance on sales (unit sales values fell) that was much greater than the favorable net cost/expense variances (unit costs decreased) and volume increase. The composition of variances changed, and operating income fell from 2011 to 2012 when a favorable price variance (unit prices increased) was overwhelmed by an unfavorable net cost/expense variance. Operating income was lower in January-March 2014 than in January-March 2013 due to the combined effects of unfavorable price and net cost/expense variances. The variance analysis for reporting mills and non-toll processors together, which is shown in table VI-6, is similar for each period to that depicted in table VI-5. The composition of net operating variance is summarized at the bottom of tables VI-5 and VI-6.

¹¹ The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table VI-5**OCTG: Variance analysis on the operations of U.S. mills, fiscal years 2011-13, January-March 2013, and January-March 2014**

Item	Value (\$1,000)			
	Between fiscal years			Jan.-March
	2011-13	2011-12	2012-13	2013-14
Total net sales:				
Price variance	(574,868)	113,377	(700,215)	(21,900)
Volume variance	1,287,452	609,615	689,807	163,825
Total net sales variance	712,584	722,992	(10,408)	141,925
Cost of sales:				
Cost variance	94,162	(212,624)	329,235	(32,363)
Volume variance	(1,046,939)	(495,731)	(573,657)	(141,282)
Total cost variance	(952,777)	(708,355)	(244,422)	(173,645)
Gross profit variance	(240,193)	14,637	(254,830)	(31,720)
SG&A expenses:				
Expense variance	(1,894)	(9,791)	8,931	2,871
Volume variance	(95,471)	(45,206)	(51,299)	(12,966)
Total SG&A variance	(97,365)	(54,997)	(42,368)	(10,095)
Operating income variance	(337,558)	(40,360)	(297,198)	(41,815)
Summarized as:				
Price variance	(574,868)	113,377	(700,215)	(21,900)
Net cost/expense variance	92,268	(222,415)	338,166	(29,492)
Net volume variance	145,042	68,678	64,851	9,576

Note.—Unfavorable variances are shown in parentheses; all others are favorable. The data are comparable to changes in operating income as presented in table VI-1 (U.S. mills). Toll processors are not included.

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-6

OCTG: Variance analysis on the operations of U.S. mills and non-toll processors together, fiscal years 2011-13, January-March 2013, and January-March 2014

* * * * *

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT EXPENSES

Table VI-7 presents capital expenditures and research and development (“R&D”) expenses by firm. Total capital expenditures fell between 2011 and 2013 and were lower during January-March 2014 than in the same period one year earlier. Some of this apparent decrease may be attributed to investment programs being largely completed with new plants coming on line (***) . Total R&D expenses declined irregularly from 2011 to 2013 and were lower in January-March 2014 than in January-March 2013.

Table VI-7

OCTG: Capital expenditures and research and development expenses of U.S. mills and non-toll processors, by firm, fiscal years 2011-13, January-March 2013, and January-March 2014

* * * * *

Four of the firms providing tolling services reported data on capital expenditures, which are shown in table VI-8. None of the toll processors reported data for R&D expenses.

Table VI-8

OCTG: Capital expenditures of U.S. toll processors, by firm, fiscal years 2011-13, January-March 2013, and January-March 2014

* * * * *

Firms commented on their expansion efforts, including opening of plants, expansion of production capacity, and other changes in their OCTG operations in their questionnaire responses.¹² Their comments provide information regarding the capital expenditures programs of individual firms and are summarized below.

- Boomerang Tube ***.¹³
- Drill Pipe International ***.¹⁴
- EnergeX ***.¹⁵

¹² See also table III-2, presented earlier in this report.

¹³ ***.

¹⁴ ***.

¹⁵ ***.

- Evraz Rocky Mountain ***.¹⁶
- Laguna Tubular Products ***.¹⁷
- Maverick ***.¹⁸
- Northwest Pipe reported ***.
- Paragon Industries ***.¹⁹
- Tejas Tubular ***.²⁰ Constraints noted were those of ***.
- Texas Tubular ***.²¹
- TMK IPSCO ***.²² The firm noted that its ***.
- Tubular Services, ***.²³
- U.S. Steel ***.²⁴ Reportedly, these investments ***.²⁵ U.S. Steel noted that constraints on capital expenditures were those ***.
- Vallourec Star ***.
- Welded Tube ***.²⁶

Firms indicated that constraints on capital expenditures included the company's financial resources, as well as market conditions, the economy, and the impact of subject imports.

ASSETS AND RETURN ON INVESTMENT

Table VI-9 presents data on the U.S. mills' and non-toll processors' total assets and their return on investment ("ROI"). Operating income was divided by total net assets resulting in ROI. Total net assets increased by 9.1 percent from 2011 to 2013 because of capital expenditures from existing and new mills and processors.²⁷ Because assets increased while operating income declined, the ratio declined to a greater extent than did the operating margin alone.

¹⁶ ***.

¹⁷ ***.

¹⁸ ***.

¹⁹ ***.

²⁰ ***.

²¹ ***.

²² ***.

²³ ***.

²⁴ ***. Additionally, ***.

²⁵ Ibid.

²⁶ ***.

²⁷ Capital expenditures increase the value of net fixed assets (property, plant, and equipment) while depreciation charges reduce the net value of assets. Allocation of values of assets to and from OCTG due to changes in a plant's mix of production between the years also affected the value of assets.

Table VI-9
OCTG: U.S. mills' and non-toll processors' total assets and return on investment, fiscal years
2011-13

* * * * *

CAPITAL AND INVESTMENT

The Commission requested that U.S. producers of OCTG describe any actual or potential negative effects of imports of OCTG from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Their responses are shown in appendix F.

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹--

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
- (V) inventories of the subject merchandise,*

¹ Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

- (VI) 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,*
- (VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²*

Information on the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV and V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

² Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

THE INDUSTRY IN INDIA

The petition in these investigations identified 49 producers and/or exporters of OCTG in India.³ The Commission issued foreign producers questionnaires to these firms and received a completed response from seven producers and one exporter: GVN Fuels Limited (“GVN Fuels”) solely an exporter, Jindal (India), Jindal Pipes, Jindal Saw Ltd. (“Jindal Saw”), M/S United Seamless Tubular (“United Seamless”), Maharashtra Seamless Limited (“Maharashtra”), Oil Country Tubular Ltd. (“Oil Country Tubular”), and Surya Global Steel Tube Limited (“Surya”).⁴ GVN Fuels reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Jindal (India) reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Jindal Pipes reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Jindal Saw reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. United Seamless reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Maharashtra reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Oil Country Tubular reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Surya reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.

Responding firms combined estimate that their OCTG exports to the United States accounted for approximately *** percent of all such exports of OCTG from India in 2013.⁵ A comparison of the responding firms’ export data to adjusted official Commerce import statistics shows that in 2013 they accounted for *** percent of U.S. imports of OCTG from India.⁶

Six of the seven responding Indian producers have pipe forming operations ***. Of the six with pipe forming operations, ***.⁷ Welded OCTG producers include ***. Seamless OCTG producers include ***.

Two firms reported investments in equipment and machinery that added capacity to their operations. ***.⁸ Oil Country Tubular invested ***.⁹ Two firms reported investing in equipment to improve the quality of their OCTG. ***.¹⁰ Jindal (India) reported improvements to ***, but indicated that this development does not affect capacity.¹¹

³ Petition, exh. I-5A.

⁴ During the preliminary phase of these investigations, two additional producers, Welspun and ISMT, provided completed questionnaire responses and accounted for *** percent of Indian production of OCTG in 2012.

⁵ Questionnaire responses of Indian producers, II-16.

⁶ Four Indian producers, ***, provided estimates of their shares of India’s total production of OCTG, cumulatively accounting for approximately *** percent of production in 2013.

⁷ Questionnaire responses of Indian producers, I-2.

⁸ Questionnaire response of ***, II-2 and preliminary phase questionnaire response at II-2a.

⁹ Questionnaire response of ***, II-4.

¹⁰ Questionnaire response of ***, II-2.

¹¹ Questionnaire response of ***, II-2.

Operations on OCTG

Table VII-1a presents information on the OCTG operations of the six responding mills and one exporter in India. Table VII-1b presents information on processor Oil Country Tubular's operations. Reported mill capacity in India increased by *** percent from 2011 to 2013, and remained the same in January-March 2014 relative to January-March 2013. The changes in capacity reflect *** new production equipment coming online. Reported capacity is projected to remain at 2013 levels through 2015. Production decreased by *** percent from 2011 to 2013 and was *** percent lower in January-March 2014 than in January-March 2013. Four firms experienced declining production with *** accounting for approximately *** percent of the decline.¹² Production is projected to be *** percent higher in 2014 than in 2013 and *** percent higher in 2015 than 2013, led by increases from ***, respectively. Capacity utilization was stable during 2011 and 2012 but decreased in 2013 to *** percent. Capacity utilization was *** percent in January-March 2014 compared to *** percent in January-March 2013.¹³

Table VII-1a

OCTG: Data for producers and exporters in India (mills), 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * * * *

In 2013, *** percent of mills' total shipments of OCTG from India were exported to the United States, and *** percent were exported to other markets. Exports of OCTG from India to the United States decreased during 2011-13, experiencing an overall decrease of *** percent. Exports to the United States were *** percent lower in January-March 2014 than in January-March 2013.

Table VII-1b presents information on processor Oil Country Tubular's operations. Oil Country Tubular's operations include ***.¹⁴ In March 2013, Oil Country Tubular ***.¹⁵ Oil Country Tubular ***. Oil Country does ***.¹⁶

Table VII-1b

OCTG: Data for Indian processor Oil Country Tubular, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * * * *

¹² ***.

¹³ With respect to production constraints, Jindal (India) reported ***, Jindal Pipes reported ***, Jindal Saw reported ***, Maharashtra reported ***, Oil Country Tubular reported ***, Surya reported ***, United Seamless reported ***. Questionnaire responses of Indian producers, II-8.

¹⁴ Questionnaire response of Oil Country Tubular, I-2.

¹⁵ Questionnaire response of Oil Country Tubular, II-4.

¹⁶ Questionnaire response of Oil Country Tubular, II-10.

Alternative products

Table VII-2 presents information on the total welded and total seamless tubular capacity and production of the nine responding producers in India.¹⁷

Table VII-2

OCTG: Indian capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

THE INDUSTRY IN KOREA

The petition in these investigations identified 10 producers and/or exporters of OCTG in Korea.¹⁸ The Commission issued foreign producers questionnaires to these firms and received a completed response from seven firms: AJU Besteel Co., Ltd. (“AJU Besteel”), Daewoo International Corp. (“Daewoo”) (***) , Husteel, Hyundai HYSCO, ILJIN Steel Corp. (“ILJIN”), NEXTEEL Co., Ltd. (NEXTEEL), and SeAH Steel Corp. (“SeAH”). AJU Besteel reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Daewoo reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Husteel reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. Hyundai HYSCO reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. ILJIN reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. NEXTEEL reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG. SeAH reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.

The seven responding firms’ exports to the United States accounted for all U.S. imports of OCTG from Korea in 2013, based on a comparison to official import statistics, as adjusted. According to estimates provided by the responding Korean producers, the production of OCTG in Korea reported by the responding producers accounts for virtually all production of OCTG in Korea.

All Korean firms reported having pipe forming operations. ***. One Korean firm, ILJIN, reported establishing a seamless pipe production facility in *** and started to produce trial products in ***.¹⁹ Three firms reported investing in heat treatment equipment. ***. ***.²⁰ ***.

¹⁷ With respect to constraints on product shifting, Jindal (India) reported ***, Jindal Pipes reported ***, Jindal Saw reported ***, Maharashtra reported ***, Oil Country Tubular reported ***, United Seamless reported ***. Questionnaire responses of Indian producers, II-9.

¹⁸ Petition, exh. I-5D.

¹⁹ Questionnaire response of ***, II-2. ***. Questionnaire response of ***, II-2b.

²⁰ Questionnaire response of ***, II-2 and II-4.

Operations on OCTG

Table VII-3 presents information on the OCTG operations of the seven responding producers and exporters in Korea. Capacity in Korea increased by 13.2 percent from 2011 to 2013 and was 7.1 percent higher in January-March 2014 than in January-March 2013.²¹ Capacity is projected to remain at the 2013 level in 2014 and 2015. Production in Korea increased by 48.7 percent from 2011 to 2013 and was 64.8 percent higher in January-March 2014 than in January-March 2013. Production is projected to decline by 16.9 percent from 2013 to 2014, and to not change from 2014 to 2015. The capacity utilization rate increased from 2011 to 2013, and rose to 110 percent in January-March 2014.²²

In 2013, 96.9 percent of total shipments of OCTG from Korea were exported to the United States, and 1.5 percent were exported to other markets. Exports of OCTG from Korea to the United States increased by 43.3 percent from 2011 to 2013, and were 69.4 percent higher in January-March 2014 than in January-March 2013.

Alternative products

Table VII-4 presents information on the total welded and total seamless tubular capacity and production of the responding producers and exporters in Korea.²³ ILJIN is the sole Korean producer with a seamless pipe mill, accounting for all seamless capacity and production reported below. *** explains the increase in welded pipe capacity. Husteel reported that this incremental production capacity cannot be used to produce OCTG, accordingly it did not report increased OCTG production capacity.²⁴ Increases in heat treatment capacity are due to *** investments in new heat treatment facilities.²⁵

²¹ With respect to production constraints, AJU Besteel ***, Hyundai HYSCO reported ***, Husteel and SeAH reported ***, ILJIN reported ***, and Nexteel reported ***. Questionnaire responses of Korean producers, II-8.

²² ***. E-mail, ***, June 3, 2014. In January-March 2013, *** short tons of OCTG, in January-March 2014, *** short tons of OCTG. Questionnaire response of ***, II-10.

²³ With respect to constraints on product shifting, AJU reported ***, Husteel reported ***, Hyundai HYSCO reported ***, ILJIN reported ***, Nexteel ***, and SeAH reported ***. Questionnaire responses of Korean producers, II-9.

²⁴ E-mail from ***, June 3, 2014.

²⁵ Questionnaire responses of Korean foreign producers, II-4.

Table VII-3

OCTG: Data for producers and exporters in Korea, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

Item	Actual experience					Projections	
	Calendar year			January to March		Calendar year	
	2011	2012	2013	2013	2014	2014	2015
	Quantity (short tons)						
Capacity	1,087,382	1,160,302	1,231,223	307,906	329,781	1,231,223	1,231,223
Production	733,854	902,636	1,091,539	221,000	364,165	907,088	907,088
End-of-period inventories	20,021	44,842	89,975	44,053	89,960	82,703	83,439
Shipments:							
Internal consumption/ transfers	2,484	1,515	4,436	553	1,522	1,934	1,934
Home market shipments	5,292	8,011	11,875	3,611	942	12,384	12,384
Export shipments to:							
United States	709,005	853,703	1,016,147	213,404	361,564	884,540	884,540
All other markets	19,787	14,586	16,195	4,221	152	17,044	17,044
Total exports	728,792	868,289	1,032,342	217,625	361,716	901,584	901,584
Total shipments	736,568	877,815	1,048,653	221,789	364,180	915,902	915,902
	Ratios and shares (percent)						
Capacity utilization	67.5	77.8	88.7	71.8	110.4	73.7	73.7
Inventories/production	2.7	5.0	8.2	5.0	6.2	9.1	9.2
Inventories/total shipments	2.7	5.1	8.6	5.0	6.2	9.0	9.1
Share of total shipments:							
Internal consumption/ transfers	0.3	0.2	0.4	0.2	0.4	0.2	0.2
Home market shipments	0.7	0.9	1.1	1.6	0.3	1.4	1.4
Export shipments to:							
United States	96.3	97.3	96.9	96.2	99.3	96.6	96.6
All other markets	2.7	1.7	1.5	1.9	0.0	1.9	1.9
Total exports	98.9	98.9	98.4	98.1	99.3	98.4	98.4
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-4

OCTG: Korean capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

THE INDUSTRY IN THE PHILIPPINES

The petition in these investigations identified one producer and/or exporter of OCTG, HLD Clark Steel Pipe Co., Inc. (“HLD Clark”).²⁶ The Commission issued a foreign producer questionnaire to HLD Clark and received a completed response. HLD Clark reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.²⁷

HLD Clark estimated that its OCTG exports to the United States accounted for approximately *** percent of U.S imports of OCTG from the Philippines in 2013.²⁸ A comparison of HLD Clark’s export data to official Commerce import statistics shows that in 2013 it accounted for *** U.S. imports from the Philippines. HLD Clark estimates that it accounts for all production of OCTG in the Philippines.²⁹

HLD Clark was established in 2009.³⁰ This firm is a welded pipe manufacturing subsidiary of Huludao City Steel Pipe Industrial, a Chinese firm.³¹ HLD Clark added *** and began to produce OCTG in 2011.³² HLD Clark’s OCTG operations include ***.³³

Operations on OCTG

Table VII-5 presents information on the OCTG operations of the sole producer and exporter in the Philippines. Capacity in the Philippines remained stable during 2011-13, shifting slightly from one period to the next, as result of capacity allocated based on the relative shared of production of products produced on the same equipment and machinery used to produce OCTG.³⁴ Capacity was *** percent lower in January-March 2014 relative to January-March 2013. Capacity is projected to decrease by *** percent from 2013 to 2014 and to *** from 2014 to 2015. The change in capacity is based on ***.³⁵ Production in the Philippines increased by *** percent from 2011 to 2013, but was *** percent lower in January-March 2014 than in January-March 2013. Production is projected to *** from 2013 to 2014 but not change from 2014 to 2015. Capacity utilization increased from *** percent in 2011 to *** percent in 2012,

²⁶ Petition, exh. I-5B.

²⁷ Questionnaire response of HLD Clark, II-4.

²⁸ Questionnaire response of HLD Clark, II-8.

²⁹ Questionnaire response of HLD Clark, II-15.

³⁰ HLD Clark Steel Pipe Co., Inc., “About Us,” <http://www.hldphpipe.com/Item/list.asp?id=1>, accessed on July 18, 2013.

³¹ Petition, exh I-8

³² Preliminary-phase questionnaire response of HLD Clark Steel Pipe Co., Inc., II-2. HLD Clark ***.

³³ Questionnaire response of HLD Clark, I-3 and II-4.

³⁴ Questionnaire response of HLD Clark, II-13.

³⁵ Questionnaire response of HLD Clark, II-10.

and remained above *** percent through 2013 and into January-March 2014.³⁶ Capacity utilization rates are projected to *** in 2014 and 2015.

Table VII-5

OCTG: Data for producers and exporters in the Philippines, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

In 2013, *** percent of total shipments of OCTG from the Philippines were exported to the United States, and *** percent were exported to other markets, with *** being identified as its principal export market.³⁷ Exports of OCTG from the Philippines to the United States increased by *** percent from 2011 to 2012, were *** in 2013 compared to 2012, but were *** percent lower in January-March 2014 than in January-March 2013.

Alternative products

Table VII-6 presents information on the total welded tubing capacity and production of HLD Clark the sole producer and exporter in the Philippines. HLD Clark reported that it produces *** on the same equipment used to produce OCTG.^{38 39}

Table VII-6

OCTG: Philippine capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

THE INDUSTRY IN SAUDI ARABIA

The petition in these investigations identified 13 producers and/or exporters of OCTG in Saudi Arabia.⁴⁰ The Commission issued foreign producers questionnaires to these firms and received a completed response from four firms, ArcelorMittal Tubular Products Jubail (“ArcelorMittal Jubail”), Jubail Energy Services Company (“JESCO”), Saudi Seamless Pipes Factory Co., Ltd., (“Saudi Seamless”),⁴¹ and Saudi Steel Pipe Company (“SSP”). Three firms

³⁶ With respect to production constraints, HLD Clark identified ***. Questionnaire response of HLD Clark, II-8.

³⁷ Questionnaire response of HLD Clark, II-10.

³⁸ Questionnaire response of HLD Clark, II-5.

³⁹ With respect to constraints on product shifting, HLD Clark reported ***. Questionnaire response of HLD Clark, II-9a.

⁴⁰ Petition, exh. I-5C.

⁴¹ Saudi Seamless is related to U.S. producer Vallourec.

currently produce OCTG. JESCO reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁴² Saudi Seamless reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁴³ SSP reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁴⁴ As of July 24, 2014 ArcelorMittal Jubail ***.⁴⁵

JESCO estimated that its OCTG exports to the United States accounted for *** percent of all such exports of OCTG from Saudi Arabia (*** and ***).⁴⁶ A comparison of *** export data with adjusted official Commerce statistics shows that in 2013 *** percent of U.S. imports from Saudi Arabia. According to estimates requested of the responding Saudi Arabian producers, the production of OCTG in Saudi Arabia reported by the responding producers accounts for approximately *** percent of overall production of OCTG in Saudi Arabia.

SSP, a producer of welded OCTG, which ***,⁴⁷ reported that it invested ***.⁴⁸ SSP reported that its investment to produce ERW *** OCTG was in order to supply ***.⁴⁹ SSP started producing OCTG in ***, and projects that its OCTG capacity will increase from *** short tons in 2012 to *** short tons in 2014 and 2015.⁵⁰ JESCO, a producer of seamless OCTG, which has ***⁵¹ reported that its mill ***.⁵² JESCO noted that its capacity increases are not the result of new investments, but reflect the start-up process of the mill as it slowly increased capacity and production.⁵³ Saudi Seamless ***⁵⁵ reported that it invested ***.⁵⁶ Saudi Seamless started its operations in ***.⁵⁷

Finally, according to its annual report for 2013, ArcelorMittal's seamless tube joint venture in Jubail, Saudi Arabia, "successfully produced its first saleable pipe on November 30, 2013." ArcelorMittal reported a total project cost of \$910-950 million for the seamless pipe facility, which at full production will have an installed rolling capacity of more than 600,000

⁴² Questionnaire response of JESCO, II-14.

⁴³ Questionnaire response of Saudi Seamless, II-14.

⁴⁴ Questionnaire response of SSP, II-14.

⁴⁵ E-mail from ***, July 24, 2014.

⁴⁶ Questionnaire responses of JESCO, II-16, Saudi Seamless II-10, and SSP, II-10.

⁴⁷ Questionnaire response of SSP, I-3.

⁴⁸ Questionnaire response of SSP, II-4. SSP also reported that it ***. Preliminary phase questionnaire response of SSP, I-3.

⁴⁹ Preliminary phase questionnaire of SSP, II-2a and II-2b.

⁵⁰ Questionnaire response of SSP, II-5a.

⁵¹ Questionnaire response of JESCO, I-3.

⁵² Questionnaire response of JESCO, II-2. In its preliminary phase questionnaire response, JESCO anticipated that it ***. Preliminary phase questionnaire response of JESCO, II-2a.

⁵³ Questionnaire response of JESCO, II-4, II-7, and II-12. JESCO also reported that it took *** months to fully commission and accept the installed equipment. Questionnaire response of JESCO, II-2.

⁵⁴ JESCO also reported that it is ***. Questionnaire response of JESCO, II-8.

⁵⁵ Questionnaire response of Saudi Seamless, II-4.

⁵⁶ Questionnaire response of Saudi Seamless, II-4.

⁵⁷ Questionnaire response of Saudi Seamless, II-2.

metric tons (661,380 short tons). ArcelorMittal Jubail’s product range will include seamless OCTG casing, seamless OCTG tubing, and seamless line pipe. OCTG offerings will range from 2.375 inches to 13.375 inches in diameter, and include API grades H40 through Q125 with a variety of end finishes, including premium connections. As of the first quarter of 2014, ArcelorMittal reported that the joint venture “produced some limited ranges of ASTM1 pipes and is in the process of obtaining American Petroleum Institute (API) certification ... after which commercial production of API products can start, as well as certification from key regional customers (i.e. Aramco).” API issued certifications 5CT-1675 (Casing and Tubing) and 5L-1026 (Line Pipe) to ArcelorMittal Jubail on March 14, 2014.⁵⁸ As of July 24, 2014 ArcelorMittal Jubail ***.⁵⁹ ArcelorMittal Jubail reported ***.⁶⁰

Operations on OCTG

Table VII-7a presents information on the OCTG operations of the responding producers in Saudi Arabia. Table VII-2b presents information on processor Saudi Seamless. ***. Increases in mill capacity reflect ***. Reported capacity for Saudi Arabian mills increased by *** percent from 2011 to 2012 and by *** percent from 2012 to 2013, for an overall increase of *** percent from 2011 to 2013. Capacity was *** percent higher in January-March 2014 than in January-March 2013. Capacity is projected to be *** percent higher in 2014 compared to 2013, and *** percent higher in 2015 compared to 2013. Reported production in Saudi Arabia fluctuated during 2011-13, decreasing by *** percent from 2011 to 2012, then increasing by *** percent from 2012 to 2013, resulting in an overall increase of *** percent from 2011 to 2013. Production was *** percent higher in January-March 2014 than in January-March 2013. Production is projected to be *** percent higher in 2014 compared to 2013 and *** percent higher in 2015 compared to 2013. Capacity utilization increased, reflecting responding firms’ ramping up of production as their capacity increased.⁶¹

Table VII-7a

OCTG: Data for producers and exporters in Saudi Arabia (mills), 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

⁵⁸ ArcelorMittal, Annual Review 2013, pp. 1, 18, and 19; ArcelorMittal, Tubular Products Division, “Product Range Jubail,” p. 38/41 of PDF (2012); API Composite List, “Product Listing for ArcelorMittal Tubular Products Jubail” and listing of certifications issued in the previous six months, retrieved on July 24, 2014.

⁵⁹ E-mail from ***, July 24, 2014.

⁶⁰ Questionnaire response of ArcelorMittal Jubail, II-10.

⁶¹ With respect to production constraints, JESCO reported *** and that its current ***. SSP reported the ***. Questionnaire responses of Saudi Arabian producers, II-8a.

In 2013, *** percent of total shipments of OCTG from Saudi Arabia were exported to the United States, and *** percent were exported to other markets, predominantly in ***. Exports of OCTG from Saudi Arabia to the United States decreased by *** percent from 2011 to 2013, and were *** in January-March 2014. Exports to all other markets, increased by *** percent from 2011 to 2013, but were *** in January-March 2014 compared to *** short tons in January-March 2013. During 2011 through January-March 2013, exports to markets other than the United States were *** than exports to the United States. Projected exports for 2014 to the United States and all other markets are almost the same and for 2015 projected exports to markets other than the United States are expected to be larger than exports to the United States. ***.⁶² ***.⁶³

Table VII-2b presents information on processor Saudi Seamless. Saudi Seamless’s operations include ***.⁶⁴ Saudi Seamless’s plant was built in January 2012, ***.⁶⁵ Saudi Seamless projects higher capacity in 2014 and 2015 relative to 2013, along with increased production. All of Saudi Seamless’s ***.⁶⁶

Table VII-7b

OCTG: Data for Saudi Arabian processor Saudi Seamless, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

Alternative products

Table VII-8 presents information on the total welded and seamless tubular capacity and production of the two responding mills in Saudi Arabia and heat treatment production and capacity for Saudi Seamless. SSP reported *** on the same equipment and machinery used to produce welded OCTG.⁶⁷ JESCO reported *** on the pipe forming equipment and machinery used to produce OCTG and that it also heat treats products other than OCTG.^{68 69}

⁶² Questionnaire response of JESCO, II-10. ***. Questionnaire response of SSP, II-10.

⁶³ Questionnaire response of ArcelorMittal Jubail, II-10.

⁶⁴ Questionnaire response of Saudi Seamless, I-3.

⁶⁵ Questionnaire response of Saudi Seamless, II-2.

⁶⁶ Questionnaire response of Saudi Seamless, II-10.

⁶⁷ Questionnaire response of SSP, II-5. ***.

⁶⁸ Questionnaire response of JESCO, I-5.

⁶⁹ With respect to product shifting, JESCO reported ***. Questionnaire response of JESCO, II-9a. JESCO also reported that ***. Questionnaire response of JESCO, II-9a and II-9b. Saudi Seamless reported that ***. Questionnaire response of Saudi Seamless, II-9. SSP reported ***. Questionnaire response of SSP, II-9a.

Table VII-8

OCTG: Saudi Arabian capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

THE INDUSTRY IN TAIWAN

The petition in these investigations identified five producers and/or exporters of OCTG in Taiwan.⁷⁰ The Commission issued foreign producer questionnaires to these firms and received a completed response from all five: Chung Hung Steel Corp. (“Chung Hung”) a nonsubject producer,⁷¹ Far East Machinery Co. Ltd. (“Far East Machinery”), Kao Hsing Chang Iron & Steel Corp. (“Kao Hsing”), Shin Yang Steel Co., Ltd., (“Shin Yang”), and Tension Steel Industries Co., Ltd. (“Tension Steel”). Far East Machinery reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁷² Kao Hsing reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁷³ Shin Yang reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁷⁴ Tension Steel reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁷⁵

A comparison of these firms’ export data with official Commerce import statistics shows that in 2013 they accounted for all of U.S. imports of subject OCTG from Taiwan. According to estimates requested of the responding Taiwan producers, the production of OCTG in Taiwan reported by the responding producers accounts for *** production of subject OCTG in Taiwan.⁷⁶

*** is the one subject Taiwan producer that reported investing in a new OCTG mill. ***. Shin Yang’s *** investment in ***.⁷⁷ The new equipment explains the increases in Taiwan capacity in 2012 shown in table VII-9 and *** capacity in table VII-10. ***.⁷⁸

⁷⁰ Petition, exh. I-5E.

⁷¹ Commerce calculated a final weighted-average margin of 0.00 percent for Chung Hung. Accordingly, Chung Hung is not a subject producer. Chung Hung’s operations are not included in this chapter.

⁷² Questionnaire response of Far East Machinery, II-14.

⁷³ Questionnaire response of Kao Hsing, II-14.

⁷⁴ Questionnaire response of Shin Yang, II-14.

⁷⁵ Questionnaire response of Tension Steel, II-14.

⁷⁶ Questionnaire responses of Taiwan producers, II-15.

⁷⁷ Questionnaire response of Shin Yang, II-2 and II-4. Shin Yang ***. Questionnaire response of Shin Yang, I-2.

⁷⁸ Questionnaire response of Shin Yang, II-10.

Operations on OCTG

Table VII-9 presents information on the OCTG operations of the four responding subject producers and exporters in Taiwan. All Taiwan subject producers reported having only pipe forming operations.⁷⁹ Capacity in Taiwan increased from 2011 to 2012, entirely due to ***. Production in Taiwan was steady during 2011-2013, but was *** percent less in January-March 2014 than in January-March 2013. Production is expected to be *** percent higher in 2014 than in 2013 and *** percent higher in 2015 than in 2013. Capacity utilization decreased from *** percent in 2011 to less than *** percent in 2012 and 2013, largely as a result of Shin Yang's new plant coming online but having little production. Capacity utilization was *** percent in January-March 2014 compared to *** percent in January-March 2013.⁸⁰

Table VII-9

OCTG: Data for producers and exporters in Taiwan, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

In 2013, *** percent of total shipments of OCTG from Taiwan were to the United States and *** percent were exported to other markets, predominantly Australia and Canada. Exports of OCTG from Taiwan to the United States were steady from 2011 to 2012, but increased by *** percent from 2012 to 2013. Exports in January-March 2014 were *** percent less than those in January-March 2013.

Alternative products

Table VII-10 presents information on the total welded tubular capacity and production of the four responding producers in Taiwan.⁸¹

Table VII-10

OCTG: Taiwan capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

⁷⁹ Questionnaire responses of Taiwan producers, I-2.

⁸⁰ With respect to production constraints, Far East Machinery identified ***, Kao Hsing identified ***, Shin Yang reported ***, and Tension Steel identified ***. Questionnaire responses of Taiwan producers, II-8a.

⁸¹ With respect to product shifting, Far East Machinery identified ***, Kao Hsing identified ***, Shin Yang reported ***, and Tension Steel reported ***. Questionnaire responses of Taiwan producers, II-9a.

THE INDUSTRY IN THAILAND

The petition in these investigations identified three producers and/or exporters of OCTG from Thailand.⁸² The Commission issued foreign producer questionnaires to these firms and received a completed response from one firm, Boly Pipe, a producer of seamless OCTG. Boly Pipe reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.⁸³ Boly Pipe estimated that its exports to the United States accounted for approximately *** percent of U.S imports of OCTG from Thailand in 2013.⁸⁴ A comparison of Boly Pipe's export data to official Commerce import statistics, as adjusted, shows that in 2013 Boly Pipe accounted for *** of all U.S. imports from Thailand. According to estimates requested of the responding Thai producer, the production of OCTG in Thailand reported in this part of the report accounts for approximately *** percent of overall production of OCTG in Thailand.⁸⁵

There is one other known producer of OCTG in Thailand, WSP Pipe Co., Ltd., ("WSP").⁸⁶ WSP was established in 2010 and is the branch enterprise of WSP Holdings Limited, a Chinese firm.^{87 88} WSP opened its first plant in 2011, beginning with a single production line in April and expanding to two production lines in August.⁸⁹ WSP Pipe reported investing ***.⁹⁰ WSP produces seamless OCTG.⁹¹ Boly Pipe believes that ***.⁹²

Operations on OCTG

Table VII-11 presents information on the OCTG operations of the responding producer and exporter in Thailand. Boly Pipe opened its OCTG plant in *** at a cost of \$***.^{93 94} Its operations include ***.⁹⁵ Boly Pipe ***. The projections below ***. Boly Pipe notes that ***.⁹⁶

⁸² Petition, exh. I-5F.

⁸³ Questionnaire response of Boly Pipe, II-14.

⁸⁴ Questionnaire response of Boly Pipe, II-16.

⁸⁵ Questionnaire response of Boly Pipe, II-7.

⁸⁶ In the preliminary phase of these investigations, WSP provided the sole Thai foreign producers' questionnaire response WSP started producing OCTG in 2011. In 2012, WSP reported *** short tons of capacity, *** short tons of production, and exported *** short tons to the United States. WSP did not project any increases in capacity for 2013 or 2014, but did project ***.

⁸⁷ WSP Pipe Co., Ltd., "Company Introduction," <http://wspp.co.th/index.php/about-us>, accessed on July 19, 2013.

⁸⁸ WSP Holdings Limited, "Contact Us," <http://www.wsppl.com/elxwm.asp>, accessed on July 19, 2013.

⁸⁹ Preliminary-phase questionnaire response of WSP, II-2.

⁹⁰ Preliminary-phase questionnaire response of WSP, II-2.

⁹¹ Preliminary-phase questionnaire response of WSP, II-4.

⁹² Posthearing brief of Thai Respondent Boly Pipe, pp. 3-4.

⁹³ Questionnaire response of Boly Pipe, II-2 and II-4.

Table VII-11

OCTG: Data for producers and exporters in Thailand, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

Alternative products

Table VII-12 presents information on the reported seamless tubular capacity and production of the Boly Pipe. Boly Pipe reported *** on the same equipment and machinery used to produce seamless OCTG.^{97 98}

Table VII-12

OCTG: Thai capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

THE INDUSTRY IN TURKEY

The petition in these investigations identified five producers and/or exporters of OCTG in Turkey.⁹⁹ The Commission issued foreign producers questionnaires to these firms and received a completed response from three firms, Borusan Mannesmann Boru Sanayi Ve Ticaret Tas (“Borusan”), Çayırova Boru Sanayi Ve Ticaret A.Ş (“Çayırova”), and Toscelik Profil Ve Sac Endustrisi A.S (“Toscelik”). Borusan reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.¹⁰⁰ Çayırova reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.¹⁰¹ Toscelik reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.¹⁰²

(...continued)

⁹⁴ With respect to production constraints, Boly Pipe identified ***. Questionnaire response of Boly Pipe, II-8.

⁹⁵ Questionnaire response of Boly Pipe, I-2.

⁹⁶ Questionnaire response of Boly Pipe, II-10.

⁹⁷ Questionnaire response of Boly Pipe, II-5. WSP also reported that it produces line pipe on the same equipment and machinery used to produce OCTG. Preliminary phase questionnaire response of WSP, II-4.

⁹⁸ With respect to product shifting, Boly Pipe reported ***. Questionnaire response of Boly Pipe, II-9a.

⁹⁹ Petition, exh. I-5G.

¹⁰⁰ Questionnaire response of Borusan, II-14.

¹⁰¹ Questionnaire response of Çayırova, II-14.

¹⁰² Questionnaire response of Toscelik, II-14.

Borusan estimated that its OCTG exports to the United States accounted for approximately *** percent of all such exports of OCTG from Turkey in 2013, while Çayirova estimated that its exports to the United States accounted for approximately *** percent, and Toscelik estimated that its exports to the United States accounted for approximately *** percent. A comparison of these firms' exports data to official Commerce import statistics shows that in 2013 they accounted for *** percent of all U.S. imports from Turkey. According to estimates requested of the responding Turkish producers, the production of OCTG in Turkey reported by the responding producers account for approximately all production of OCTG in Turkey and all exports to the United States.¹⁰³

The three responding Turkish producers reported changes in operations through investments in new equipment and plant capabilities. Borusan reported that it ***.¹⁰⁴ Çayirova reported that it ***.¹⁰⁵ Toscelik reported that it ***¹⁰⁶ and that individual lines ***.¹⁰⁷ ***. Toscelik also notes that the ***.¹⁰⁸

Operations on OCTG

Table VII-13 presents information on the OCTG operations of the responding producers and exporters in Turkey. Borusan's OCTG operations include ***,¹⁰⁹ Cayirova's includes ***,¹¹⁰ and Toscelik's includes ***.¹¹¹ Capacity increased by *** percent from 2011 to 2013 and was *** percent higher in January-March 2014 compared to January-March 2013. Capacity is projected to be ***percent lower in 2014 than in 2013, and to not change from 2014 to 2015. The projected reduced capacity is entirely attributable to ***.¹¹² Production in Turkey increased by *** percent from 2011 to 2012 but was *** percent lower in 2013 compared to 2012, resulting in an overall decrease in production of *** percent from 2011 to 2013. Production in January-March 2014 was *** percent lower than in January-March 2013. Production is projected to *** by *** percent from 2013 to 2014 and to be *** percent in lower in 2015 compared to 2013.¹¹³ Most of the reduction in projected production is attributable to ***. *** projected *** production in 2014 and 2015 compared to 2013, whereas *** reported increased production of *** short tons in 2014 and 2015 compared to 2013. ***.

¹⁰³ Questionnaire responses of Turkish producers, II-15.

¹⁰⁴ Questionnaire response of Borusan, II-4.

¹⁰⁵ Questionnaire response of Cayirova, II-4.

¹⁰⁶ Questionnaire response of Toscelik, II-4.

¹⁰⁷ Questionnaire response of Toscelik, II-2.

¹⁰⁸ Questionnaire response of Toscelik, II-4.

¹⁰⁹ Questionnaire response of Borusan, I-2 and I-3. ***.

¹¹⁰ Questionnaire response of Cayirova, I-2.

¹¹¹ Questionnaire response of Toscelik, I-2.

¹¹² Questionnaire response of Borusan, II-10.

¹¹³ With respect to production constraints, Borusan identified ***, Çayirova identified ***, and Toscelik identified ***. Questionnaire responses of Turkish foreign producers, II-8.

In March 2014, Borusan commenced operations at its \$150 million ERW pipe mill, heat treatment, and threading facility in Baytown, Texas. This facility will have pipe-forming capacity of 300,000 short tons per year. Pipe production at the new facility is limited to 4.5-inch diameter to 10.75-inch diameter pipes. Accordingly, Borusan plans to import from Turkey sizes outside of these diameters. Borusan expects that once its U.S. plant is fully operational, its exports from Turkey to the United States will be greatly reduced.¹¹⁴ Projections included in table VII-13 for exports to the United States reflect this anticipated decline.

Table VII-13

OCTG: Data for producers and exporters in Turkey, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

In 2013, *** percent of total shipments of OCTG from Turkey were exported to the United States, and *** percent were exported to other markets. Exports of OCTG from Turkey to the United States decreased by *** percent from 2011 to 2013, but were *** percent higher in January-March 2014 than in January-March 2013.

Alternative products

Table VII-14 presents information on the overall welded tubular capacity and production of the responding producers in Turkey.¹¹⁵

Table VII-14

OCTG: Turkish capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

THE INDUSTRY IN UKRAINE

The petition in these investigations identified two producers and/or exporters of OCTG.¹¹⁶ The Commission issued foreign producer questionnaires to these firms and received a completed response from both firms, Interpipe Nizhnedneprovsky (“Interpipe NTRP”) and Interpipe Niko Tube Limited Liability Company (“Interpipe Niko”). Interpipe NTRP reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.¹¹⁷ Interpipe

¹¹⁴ Hearing Transcript, pp. 235-238 (Brewer).

¹¹⁵ With respect to constraints on product shifting, Borusan identified ***, Çayırova identified ***, Toscelik stated ***. Questionnaire responses of Turkish foreign producers, II-4e.

¹¹⁶ Petition, exh. I-5H.

¹¹⁷ Questionnaire response of Interpipe Nizhnedneprovsky (Interpipe NTRP), II-14.

Niko reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.¹¹⁸

Interpipe NTRP estimated that its OCTG exports to the United States accounted for approximately *** percent of all such exports of OCTG from Ukraine in 2013, while Interpipe Niko's estimated that its OCTG exports to the United States accounted for approximately *** percent.¹¹⁹ A comparison of these firms' export data to official Commerce import statistics, as adjusted, shows that in 2013 they accounted for *** U.S. imports from Ukraine. According to estimates requested of the responding Ukrainian producers, the production of OCTG in Ukraine reported by the responding producers accounts for essentially *** production of OCTG in Ukraine.¹²⁰

Interpipe NTRP and Interpipe Niko are mills belonging to Interpipe Group.^{121 122} According to their website, Interpipe Group is one of the biggest employers in Ukraine.¹²³ Neither Interpipe NTRP nor Interpipe Niko reported making any investments increasing their OCTG production capacity between 2010 and 2012.¹²⁴ Both Interpipe NTRP and Interpipe Niko produce seamless OCTG.¹²⁵ Niko Tube's OCTG production operations include ***.¹²⁶ Interpipe NTRP's OCTG production operations include ***.¹²⁷

Operations on OCTG

Table VII-15 presents information on Ukrainian OCTG operations. Capacity in Ukraine remained constant from 2011 to 2013, and was unchanged in January-March 2014 relative to January-March 2013. Capacity is projected ***. Production in Ukraine increased by *** percent from 2011 to 2012, but was *** percent lower 2013 than in 2012. Production was *** less in January-March 2014 than in January-March 2013. Production is projected to increase by

¹¹⁸ Questionnaire response of Interpipe Niko Tube Limited Liability Company, II-14.

¹¹⁹ Questionnaire responses of Interpipe Nizhnedneprovsky (Interpipe NTRP) and Interpipe Niko Tube Limited Liability Company, II-14.

¹²⁰ Ibid., II-15. Dniprovskiy Pipe Works is also capable of producing casing and tubing. In March 2012, the company announced monthly capacity of up to 3,000 metric tons for GOST and API casing and up to 1,500 metric tons for GOST and API tubing. Dniprovskiy Pipe Works, "Oil & Gas Country Tubular Goods Manufacturer" and Wire Tube News, March 30, 2012, "New Brand OCTG in Ukraine."

¹²¹ Interpipe Group, "Interpipe NTRP – Dnepropetrovsk, Ukraine," <http://interpipe.biz/en/company/productions/ntz/>, accessed on July 25, 2013.

¹²² Interpipe Group, "Interpipe NIKO TUBE – Nikopol, Ukraine," <http://interpipe.biz/en/company/productions/nikotube/>, accessed on July 25, 2013.

¹²³ Interpipe Group, "Social Policy," <http://interpipe.biz/en/company/respons/social/>, accessed on July 25, 2013.

¹²⁴ Questionnaire responses of Interpipe NTRP and Interpipe Niko, II-2.

¹²⁵ Ibid., II-4.

¹²⁶ Questionnaire response of Interpipe Niko, I-3. Niko Tube also identified Pavlograd Plant of Technological Equipment, LLC and Kalibar LLC as manufacturers and suppliers of couplings.

¹²⁷ Questionnaire response of Interpipe NTRP, I-3.

*** percent from 2013 to 2014 and to remain at the same level in 2015. Capacity utilization increased from *** percent in 2011 to *** percent in 2012 and was *** percent in 2013. Capacity utilization was *** percent in January-March 2014 compared to *** percent in January-March 2012.¹²⁸

Table VII-15

OCTG: Data for producers and exporters in Ukraine, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

In 2013, *** percent of total shipments of OCTG from Ukraine were exported to the United States, and *** percent were exported to other markets, predominantly ***.¹²⁹ Exports of OCTG from Ukraine to the United States increased by *** percent from 2011 to 2012, but decreased by *** percent from 2012 to 2013. Exports to the United States were *** percent lower in January-March 2014 than in January-March 2013.

Alternative products

Table VII-16 presents information on the total seamless tubular capacity and production of the responding producers and exporters in Ukraine.¹³⁰ Interpipe NTRP reported that it *** on the same equipment used to produce OCTG.¹³¹ Interpipe Niko reported that it *** on the same equipment used to produce OCTG.¹³²

Table VII-16

OCTG: Ukrainian capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

THE INDUSTRY IN VIETNAM

The petition in these investigations identified eight producers and/or exporters of OCTG in Vietnam.¹³³ The Commission issued foreign producer questionnaires to these firms and

¹²⁸ With respect to production constraints, Interpipe NTRP stated ***, and Interpipe Niko identified ***. Questionnaire response of Ukrainian producers, II-8.

¹²⁹ Ibid., II-10.

¹³⁰ With respect to constraints on product shifting, Interpipe NTRP stated ***, Interpipe Niko identified ***, Questionnaire responses of Ukrainian producers, II-9.

¹³¹ Questionnaire response of Interpipe NTRP, II-5.

¹³² Questionnaire response of Interpipe Niko, II-5.

¹³³ Petition, exh. I-5I.

received a completed response from one firm, SeAH Steel Vina Corp. (“SeAH Steel Vina”)¹³⁴ SeAH Steel Vina reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG.¹³⁵ Hot Rolling Pipe did not provide a response, but reported that *** percent of its total sales in the most recent fiscal year were sales of OCTG in the preliminary phase of these investigations.¹³⁶

SeAH Steel Vina estimated that its OCTG exports to the United States accounted for approximately *** percent of all such exports of OCTG from Vietnam in 2013.¹³⁷ A comparison of its export data with official Commerce import statistics shows that in 2013 it accounted for *** percent of all U.S. imports of OCTG from Vietnam. According to estimates requested of the responding Vietnamese producer, the production of OCTG in Vietnam reported by SeAH Steel Vina accounts for approximately *** percent of overall production of OCTG in Vietnam.¹³⁸

SeAH Steel Vina’s first production lines came online in May of 1999.¹³⁹ SeAH Steel Vina is a subsidiary of the SeAH Group, which is based in Korea. SeAH Steel Vina’s OCTG operation includes ***.¹⁴⁰ In the beginning of 2013, SeAH Steel Vina invested *** towards the construction of a new production line capable of producing ***.¹⁴¹ SeAH Steel Vina cited ***.¹⁴² SeAH Steel Vina produces welded OCTG.¹⁴³

Hot Rolling Pipe was established in August 2011, and opened its plant in December 2011.¹⁴⁴ A total of *** was invested in ***.¹⁴⁵ According to their website, Hot Rolling Pipe is the only producer of seamless OCTG in Vietnam.¹⁴⁷

¹³⁴ During the preliminary phase of these investigations, the Commission received two completed questionnaire responses from producers in Vietnam, SeAH Steel Vina and Hot Rolling Pipe. Counsel for Hot Rolling Pipe informed Staff that Hot Rolling Pipe *** E-mail from Kristin Mowry, Counsel to Hot Rolling Pipe, Mowry & Grimson PLLC, May 15, 2014. Hot Rolling Pipe did not respond to an additional request from Staff for Hot Rolling Pipe to complete a response, explaining that doing so entails largely updating data already provided in the preliminary phase of the investigations. Staff e-mail to ***, May 16, 2014.

¹³⁵ Questionnaire response of SeAH Steel Vina Corporation, II-6.

¹³⁶ Preliminary phase questionnaire response of Hot Rolling Pipe Co., Ltd Vietnam, II-6.

¹³⁷ Questionnaire response of SeAH Steel Vina, II-16.

¹³⁸ Ibid., II-15.

¹³⁹ SeAH Steel Vina Corporation, “Company’s History,” <http://SeAHvina.com.vn/gioi-thieu/companys-history.html>, accessed on July 26, 2013.

¹⁴⁰ Questionnaire response of SeAH Steel Vina, I-2.

¹⁴¹ Questionnaire response of SeAH Steel Vina, II-2 and II-4.

¹⁴² Preliminary phase questionnaire response of SeAH Steel Vina, II-2.

¹⁴³ Questionnaire response of SeAH Steel Vina, II-5.

¹⁴⁴ Hot Rolling Pipe Co., Ltd Vietnam, “About Us,” http://www.hrpvietnam.com/about_us.php, accessed on July 26, 2013.

¹⁴⁵ Preliminary-phase questionnaire response of Hot Rolling Pipe Co., II-2.

¹⁴⁶ Ibid.

¹⁴⁷ Hot Rolling Pipe Co., Ltd Vietnam, “About Us,” http://www.hrpvietnam.com/about_us.php, accessed on July 26, 2013.

Operations on OCTG

Table VII-17 presents information on the OCTG operations of the one responding producer and exporter in Vietnam. Reported capacity in Vietnam remained the same throughout 2011-13.¹⁴⁸ These data do not reflect Hot Rolling Pipe's mill which started up in 2012 with *** tons of capacity to produce OCTG.¹⁴⁹ Reported capacity is projected to increase by *** percent from 2013 to 2014, and remain at that level in 2015. Reported production in Vietnam increased by *** percent from 2011 to 2012, but was *** percent lower 2013 than in 2012. Production was *** percent lower in January-March 2014 than in January-March 2013. Production for full year 2014 is projected to be *** percent lower than production in 2013, but production is projected to increase by *** percent from 2014 to 2015. Capacity utilization fluctuated during 2011-13, and is projected to be at its lowest levels in 2014 and 2015.

Table VII-17

OCTG: Data for producers and exporters in Vietnam, 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

Since 2011, *** shipments of OCTG from Vietnam were exports to the United States. Exports, like production, fluctuated during 2011-13. Exports of OCTG from Vietnam to the United States increased by *** percent from 2011 to 2012, but were *** percent lower in 2013 than in 2012. *** projected production in 2014 and 2015 is expected to be exported to the United States.

Alternative products

Table VII-18 presents information on the total welded and seamless tubular capacity and production of the responding producer in Vietnam. SeAH Steel Vina reported that it ***.¹⁵⁰

Table VII-18

OCTG: Vietnamese capacity, production, and capacity utilization of welded, seamless, and heat treated tubular products, 2011-13, January to March 2013, and January to March 2014

* * * * *

¹⁴⁸ With respect to production constraints, SeAH Steel Vina reported ***. Questionnaire response of SeAH Steel Vina, II-8.

¹⁴⁹ Preliminary-phase questionnaire response of Hot Rolling Pipe Co., II-5a. Hot Rolling Pipe projected ***.

¹⁵⁰ Questionnaire response of SeAH Steel Vina Corporation, II-5. With respect to constraints on product shifting, SeAH Steel Vina identified ***. Questionnaire response of SeAH Steel Vina Corporation, II-9.

SUBJECT COUNTRIES COMBINED

Table VII-19 presents information on OCTG operations of the reporting producers and exporters in the subject countries.

Table VII-19

OCTG: Data for subject producers combined (mills only), 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

Item	Actual experience					Projections	
	Calendar year			January to March		Calendar year	
	2011	2012	2013	2013	2014	2014	2015
	Quantity (short tons)						
Capacity	2,636,510	2,927,472	3,158,751	763,188	823,422	3,172,762	3,416,394
Production	1,824,751	2,070,961	2,240,494	516,412	627,941	2,267,643	2,487,157
End-of-period inventories	72,074	103,941	150,222	109,342	176,618	138,338	136,303
Shipments:							
Internal consumption/ transfers	5,163	7,164	8,444	3,646	3,241	5,097	4,434
Home market shipments	245,134	270,045	344,662	72,767	86,024	382,707	525,774
Export shipments to:							
United States	1,359,191	1,526,251	1,617,473	364,258	452,511	1,421,524	1,424,210
All other markets	212,791	235,637	225,880	70,339	59,769	471,367	542,181
Total exports	1,571,982	1,761,888	1,843,353	434,597	512,280	1,892,891	1,966,391
Total shipments	1,822,279	2,039,097	2,196,459	511,010	601,545	2,280,695	2,496,599
	Ratios and shares (percent)						
Capacity utilization	69.2	70.7	70.9	67.7	76.3	71.5	72.8
Inventories/production	3.9	5.0	6.7	5.3	7.0	6.1	5.5
Inventories/total shipments	4.0	5.1	6.8	5.3	7.3	6.1	5.5
Share of total shipments:							
Internal consumption/ transfers	0.3	0.4	0.4	0.7	0.5	0.2	0.2
Home market shipments	13.5	13.2	15.7	14.2	14.3	16.8	21.1
Export shipments to:							
United States	74.6	74.8	73.6	71.3	75.2	62.3	57.0
All other markets	11.7	11.6	10.3	13.8	9.9	20.7	21.7
Total exports	86.3	86.4	83.9	85.0	85.2	83.0	78.8
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-20 presents data on U.S. importers' reported inventories of OCTG.

Table VII-20

OCTG: U.S. importers' end-of-period inventories, 2011-13, January to March 2013, and January to March 2014

* * * * *

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested that importers indicate whether they imported or arranged for the importation of OCTG from subject sources after March 31, 2014. Table VII-21 presents U.S. import shipments of OCTG arranged for importation after March 31, 2014.

Table VII-21

OCTG: U.S. importers' arranged imports, 2014

* * * * *

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Exports of certain OCTG from Ukraine are subject to antidumping orders in the European Union (EU) and Russia.¹⁵¹ In the EU, exports of certain seamless pipes and tubes, including seamless iron and alloy casing and tubing, from Ukraine are subject to antidumping duties ranging from 12.3–25.7 percent.¹⁵² Effective September 9, 2012, Ukrainian OCTG producer Interpipe is subject to an antidumping duty rate of 13.8 percent.¹⁵³ In Russia, Ukrainian exports of certain casing are reportedly subject to an antidumping duty rate of 18.9 percent, while exports of certain tubing are subject to a rate of 19.9 percent.¹⁵⁴ Russian antidumping duty orders ***.¹⁵⁵ On July 22, 2014, Canada initiated a preliminary injury inquiry on allegedly dumped and/or subsidized imports of certain oil country tubular goods from Taiwan, India, Indonesia, the Philippines, Korea, Thailand, Turkey, Ukraine, and Vietnam.¹⁵⁶ In its prehearing brief, U.S. Steel noted that Brazil imposed antidumping duties on certain seamless OCTG from Ukraine.¹⁵⁷ However, the product in question appears to be seamless line pipe and not OCTG.¹⁵⁸

INFORMATION ON NONSUBJECT COUNTRIES

OCTG is produced in substantial quantities by pipe and tube producers throughout the world. The World Steel Association (WSA) publishes data on the global production of the larger

¹⁵¹ In May 2014, OCTG producers in Canada reportedly filed an antidumping and countervailing duty petition against certain OCTG from India, Indonesia, the Philippines, Korea, Taiwan, Thailand, Turkey, Ukraine, and Vietnam. “Canadian OCTG Producers File Trade Case,” May 5, 2014; MBR, *Seamless OCTG & Linepipe Market Tracker*, June 2014, p. 4.

¹⁵² The scope of the orders includes certain iron and alloy casing and tubing classified under HS 7304.29.

¹⁵³ Official Journal of the European Union, Council Implementing Regulation (EU) No. 795/2012 of August 28, 2012, September 9, 2012.

¹⁵⁴ U.S. Steel postconference brief, ex. 54 (“Medvedev decides not to extend quotas for Ukraine pipes,” Ukrinform, July 17, 2013).

¹⁵⁵ ***.

¹⁵⁶ Canadian International Trade Tribunal, “Notice of Commencement of Preliminary Injury Inquiry Oil Country Tubular Goods,” July 22, 2014. Includes “casing, tubing and green tubes made of carbon or alloy steel, welded or seamless, heat-treated or not heat-treated, regardless of end finish, having an outside diameter from 2 3/8 inch to 13 3/8 inches (60.3 mm to 339.7 mm), meeting or supplied to meet American Petroleum Institute (API) specification 5CT or equivalent and/or enhanced proprietary standards, in all grades, excluding drill pipe, pup joints, couplings, coupling stock and stainless steel casing, tubing or green tubes containing 10.5 percent or more by weight of chromium.”

¹⁵⁷ Prehearing brief of petitioner U.S. Steel, p. 46.

¹⁵⁸ Prehearing brief of petitioner U.S. Steel, exhibit 117 (“The pipes are used in oil and gas pipeline manufacturing.”); MBR, *MBR Seamless OCTG & Linepipe Market Tracker*, June 2014, p. 4.

product groupings of all pipe and tube. As shown in tables VII-22 through VII-24, global pipe and tube production increased steadily between 2009 and 2011 as the global economy began to recover from the economic downturn in 2008 and 2009. China accounted for a substantial majority of production growth, particular for welded tubular products.

Table VII-22

Welded and seamless steel pipe and fittings: Global production, by region, 2009–12

Region	2009	2010	2011	2012
	Quantity (1,000 short tons) ¹			
North America:				
United States	2,347	3,880	4,816	4,782
Canada	1,680	2,679	2,800	2,999
Mexico	1,290	1,516	1,411	1,644
Subtotal	5,317	8,074	9,027	9,425
South America:				
Argentina	(²)	(²)	(²)	(²)
Others	4	(²)	(²)	(²)
Subtotal	4	(²)	(²)	(²)
EU (27):				
Germany	3,201	3,532	3,585	(²)
Italy	2,884	3,347	3,611	(²)
Spain	820	1,257	1,204	(²)
Others	5,959	6,598	7,137	1,426
Subtotal	12,864	14,733	15,537	1,426
CIS:³				
Ukraine	1,725	2,022	2,538	2,402
Others	7,248	10,527	11,614	11,445
Subtotal	8,973	12,549	14,151	13,847
Asia:				
China	58,658	62,533	75,314	83,722
India	1,715	2,083	1,989	2,218
Japan	6,803	8,477	8,602	8,683
Korea	4,307	5,352	5,592	6,240
Philippines	64	55	99	109
Taiwan	977	1,265	1,338	1,303
Vietnam	626	742	806	854
Others	1,388	1,467	1,336	1,515
Subtotal	74,538	81,974	95,077	104,643
Others	295	310	299	270
Total	101,990	117,641	134,091	129,611

¹ The data presented in this table are for all pipe and tube and, as a result, are substantially overstated with respect to OCTG subject to these investigations.

² Not available.

³ Belarus, Kazakhstan, Russia, and Ukraine.

Note.—Production data for 2013 are not available. Production data for 2012 are substantially understated since many countries, particularly EU member countries, did not report data for that year. Production data for Turkey are unavailable. Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: World Steel Association, *Steel Statistical Yearbook*, 2013, table 24, p. 48.

Table VII-23

Seamless steel pipe: Global production, by region, 2009–12

Region	2009	2010	2011	2012
	Quantity (1,000 short tons)¹			
North America:				
United States	1,053	1,919	2,443	2,383
Canada	168	268	280	300
Mexico	649	748	855	973
Subtotal	1,870	2,937	3,578	3,656
South America:				
Argentina	553	859	936	(²)
Others	4	(²)	(²)	(²)
Subtotal	558	859	936	(²)
EU (27):				
Germany	1,058	1,415	1,508	(²)
Italy	529	648	741	(²)
Spain	172	278	304	(²)
Others	1,871	2,260	2,653	1,780
Subtotal	3,630	4,601	5,206	1,780
CIS:³				
Ukraine	893	862	966	978
Others	2,866	3,176	3,497	3,585
Subtotal	3,759	4,038	4,462	4,562
Asia:				
China	24,019	26,647	28,560	31,082
India	(²)	(²)	(²)	(²)
Japan	1,811	2,364	2,512	2,428
Korea	20	18	19	20
Philippines	(²)	(²)	(²)	(²)
Taiwan	(²)	(²)	(²)	(²)
Vietnam	(²)	(²)	(²)	(²)
Others	(²)	(²)	(²)	(²)
Subtotal	25,849	29,029	31,091	33,530
Others	(²)	(²)	(²)	(²)
Total	35,665	41,463	45,273	43,529

¹ The data presented in this table are for all seamless steel pipe and tube and, as a result, are substantially overstated with respect to OCTG subject to these investigations.

² Not available.

³ Belarus, Kazakhstan, Russia, and Ukraine.

Note.—Production data for 2013 are not available. Production data for 2012 are substantially understated since many countries, particularly EU member countries, did not report data for that year. Production data for Turkey are unavailable. Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: World Steel Association, *Steel Statistical Yearbook*, 2012, table 25, p. 48; *Steel Statistical Yearbook*, 2013, table 25, p. 49.

Table VII-24

Welded steel pipe: Global production, by region, 2009–12

Region	2009	2010	2011	2012
	Quantity (1,000 short tons) ¹			
North America:				
United States	1,284	1,951	2,367	2,387
Canada	1,511	2,411	2,520	2,700
Mexico	640	767	755	669
Subtotal	3,436	5,129	5,642	5,755
South America:				
Argentina	(²)	(²)	(²)	(²)
Others	(²)	(²)	(²)	(²)
Subtotal	(²)	(²)	(²)	(²)
EU (27):				
Germany	2,143	2,116	2,077	(²)
Italy	2,368	2,698	2,884	(²)
Spain	635	979	899	(²)
Others	4,103	4,339	4,251	506
Subtotal	9,248	10,132	10,110	506
CIS:³				
Ukraine	(²)	1,160	1,572	1,424
Others	(²)	7,351	8,117	7,859
Subtotal	(²)	8,511	9,689	9,284
Asia:				
China	34,640	35,886	46,755	52,640
India	(²)	(²)	(²)	(²)
Japan	4,464	5,492	5,452	5,618
Korea	4,288	5,334	5,574	6,220
Philippines	64	55	99	109
Taiwan	977	1,265	1,338	1,303
Vietnam	626	742	806	854
Others	1,386	1,467	1,335	1,513
Subtotal	46,445	50,241	61,359	68,258
Others	268	277	266	236
Total	59,397	74,290	87,066	84,039

¹ The data presented in this table are for all pipe and tube and, as a result, are substantially overstated with respect to OCTG subject to these investigations.

² Not available.

³ Belarus, Kazakhstan, Russia, and Ukraine.

Note.—Production data for 2013 are not available. Production data for 2012 are substantially understated since many countries, particularly EU member countries, did not report data for that year. Production data for Turkey are unavailable. Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: World Steel Association, *Steel Statistical Yearbook*, 2012, table 26, p. 49; *Steel Statistical Yearbook*, 2013, table 26, p. 50.

According to Metal Bulletin Research (MBR), global OCTG consumption rebounded after the global economic downturn in 2009, and was estimated at approximately 19 million short tons in 2011, the latest year for which estimates are available.¹⁵⁹ In recent years, the growth in OCTG consumption has reportedly been driven by extensive new oil and gas developments in

¹⁵⁹ Metal Bulletin, “Metal Bulletin Research: OCTG Market—worth \$33bn and growing,” June 10, 2013; Metal Bulletin Research (“MBR”), “The Five Year Outlook for the Global OCTG Industry (Free Whitepaper), 2013.

the United States and Canada, as well as in the Middle East and Asia.¹⁶⁰ In addition, directional and horizontal drilling, as well as drilling in more challenging environments for sour grades of hydrocarbons, has led to greater demand for higher-value, heat-treated grades of OCTG.¹⁶¹

However, declining natural gas prices in the United States due to the natural gas boom and ensuing domestic oversupply, coupled with a slowdown in the Chinese economy and the European debt crisis, reportedly tempered OCTG demand growth globally, leading to weaker global demand in 2012 compared with 2011. For instance, according to Metal Bulletin demand for OCTG in some regions actually declined in 2012, including in Latin America, the Middle East, and the CIS. OCTG consumption in other regional markets fared better, including the North American and European markets, where OCTG consumption grew by 10–15 percent in 2012 compared to the previous year.¹⁶²

More recently, demand for OCTG has reportedly rebounded, driven by continued oil and gas exploration and production activity globally. In the United States, growth in offshore drilling, as well as increased production of tight natural gas,¹⁶³ has reportedly boosted demand for seamless OCTG. Looking forward, MBR expects expanded offshore exploration and development to continue to drive demand for OCTG.¹⁶⁴ However, infrastructure bottlenecks in some parts of the country are affecting oil and gas production, leading to less consumption of OCTG in those areas. For instance, constraints to transporting oil and gas, including lack of storage space and bottlenecks in pipeline and rail transportation systems in the Marcellus and Bakken shale plays, are reportedly causing wells to be capped and drilling to be delayed until the oil and gas can be transported out. As a result, demand for seamless OCTG in these areas has reportedly declined.¹⁶⁵

In the Middle East, demand for OCTG has reportedly increased in several countries, offsetting reduced demand in Saudi Arabia due to high levels of OCTG inventories there. For instance, OCTG demand in the United Arab Emirates is expected to increase substantially over the next 2-3 years. Abu Dhabi Oil Company has reportedly issued a tender to supply approximately 550,000 short tons of OCTG for 2016-2017, two thirds of which are casing and tubing with premium connections, reflecting drilling activity in offshore fields and onshore sour service fields that require those connections. Increased drilling in Kuwait and Oman is also reportedly driving OCTG demand in the region.¹⁶⁶ Similarly, robust drilling activity in Iraq has made the country one of the fastest growing oil producers in the world, although recent

¹⁶⁰ Metal Bulletin, “Metal Bulletin Research: OCTG Market—worth \$33bn and growing,” June 10, 2013.

¹⁶¹ Metal Bulletin, “MB Research View—OCTG: Market’s global value will hit \$40bn by 2017,” November 22, 2012.

¹⁶² Metal Bulletin, “Metal Bulletin Research: OCTG Market—worth \$33bn and growing,” June 10, 2013.

¹⁶³ “Tight” natural gas refers to natural gas found in impermeable rock or nonporous sandstone or limestone formations.

¹⁶⁴ MBR, *Seamless OCTG & Linepipe Market Tracker*, May 2014, pp. 3-4.

¹⁶⁵ MBR, *Seamless OCTG & Linepipe Market Tracker*, June 2014, pp. 3-4.

¹⁶⁶ MBR, *Seamless OCTG & Linepipe Market Tracker*, June 2014, p. 9.

political turmoil has increased risk there.¹⁶⁷ Demand for welded OCTG is reportedly also stable across the region, driven again by robust drilling activity.¹⁶⁸

In China, the development of shale gas is expected to boost demand for seamless OCTG in the next decade, particularly for premium connections. Indeed, Chinese oil and gas producer Sinopec is reportedly planning to enter commercial production of China's first major shale gas field. China National Petroleum Corporation also has reportedly tripled spending on shall gas development.¹⁶⁹

Looking forward, MBR anticipates global growth in OCTG consumption to average about 4 percent annually. According to MBR, Latin America and Africa will be areas of the fastest growth in OCTG consumption.¹⁷⁰ Indeed, the development of Argentina's Vaca Muerca shale deposits, one of the largest and most promising areas for oil and gas development in Latin America, could drive increased demand for OCTG in the region according to MBR.¹⁷¹ On the supply side, MBR expects North America to see the largest addition of new OCTG capacity in the next 3–5 years.¹⁷²

Table VII-25 shows global reported exports of OCTG during 2011–13. China, Korea, and Japan collectively accounted for 47 percent of global OCTG exports in 2013. Tables VII-26 and VII-27 provide information on international rotary rig counts for the period 2011–13 and first-half 2014. The following section provides information on the leading nonsubject producers and exporters of OCTG to the United States; namely, Argentina, Canada, Germany, Japan, and Mexico.

¹⁶⁷ Preston Publishing Co., *Preston Pipe & Tube Company*, June 2014, pp. 2 and 26.

¹⁶⁸ MBR, *Welded Linepipe & OCTG Market Tracker*, April 2014, p. 8

¹⁶⁹ MBR, *Seamless OCTG & Linepipe Market Tracker*, May 2014, pp. 10-11

¹⁷⁰ Metal Bulletin, "MB Research View—OCTG: Market's global value will hit \$40bn by 2017," November 22, 2012.

¹⁷¹ MBR, *Seamless OCTG & Linepipe Market Tracker*, May 2014, p. 5.

¹⁷² For a list of recent developments in the U.S. market, including OCTG capacity expansions, see section III of this report.

Table VII-25

OCTG: Global exports by reporting countries, 2011–13

Country	Calendar year		
	2011	2012	2013
	Quantity (<i>short tons</i>)		
China	1,926,801	2,323,787	2,195,993
Korea	661,559	874,299	1,029,519
Japan	761,705	749,340	795,391
Mexico	497,643	538,475	637,113
United States	458,228	455,237	449,241
Argentina	454,571	443,437	415,038
Canada	418,174	416,268	319,064
Austria	251,029	247,590	279,815
Germany	200,104	312,457	262,399
Ukraine	266,547	296,928	262,163
France	256,618	240,819	258,355
Singapore	249,126	252,154	233,533
Brazil	60,206	118,861	230,019
Russia	228,716	238,530	161,819
Taiwan	110,334	118,039	129,084
Italy	89,063	141,400	127,376
Turkey	142,478	139,647	114,673
Indonesia	156,032	175,389	107,295
Romania	75,134	99,003	92,276
United Kingdom	52,683	67,897	77,844
India	82,370	52,945	63,936
Thailand	14,629	52,841	60,531
Czech Republic	53,142	59,168	56,948
Azerbaijan	105,867	53,997	54,306
Spain	47,770	51,271	45,404
Netherlands	16,017	20,333	32,004
Belgium	8,728	10,668	25,560
Colombia	61,219	63,522	19,902
Denmark	23,663	19,437	16,516
Malaysia	23,303	23,120	11,688
Iran	338	4,864	8,445
Georgia	0	896	8,031
Poland	4,618	5,147	5,045
Australia	4,488	7,036	3,095
Norway	10,016	3,322	3,093
Honduras	0	1	2,477
Peru	1,324	840	2,047
Belarus	2	245	1,773
Kazakhstan	68	370	1,387
Slovakia	168	1,545	804
New Zealand	12	47	678
South Africa	2,304	572	672
Hong Kong	93	86	594
Ireland	105	503	548

Table continued on next page.

Table VII-25--Continued

OCTG: Global exports by reporting countries, 2011–13

Country	Calendar year		
	2011	2012	2013
	Quantity (short tons)		
Croatia	3,499	47	510
Kenya	441	131	445
Cote d'Ivoire	823	434	352
Bulgaria	36	100	304
Hungary	459	183	237
Lithuania	0	254	203
Ecuador	175	160	152
Sweden	395	130	111
Portugal	90	22	111
Switzerland	217	93	100
Philippines	29,337	3,146	86
Latvia	72	44	58
Ghana	91	309	47
El Salvador	18	110	40
Slovenia	60	22	35
Serbia	8	4	28
Greece	9	14	26
Cyprus	56	371	24
Chile	184	28	22
Mauritius	0	15	12
Senegal	188	1	12
Morocco	23	15	11
Costa Rica	142	12	7
Guatemala	160	91	6
Finland	7	9	6
Algeria	267	45	3
Venezuela	6	1	0
Egypt	253	144	0
Vietnam	(¹)	(¹)	(¹)
Total	7,814,007	8,688,270	8,606,445

¹ Not available. Reporting countries' imports of OCTG from Vietnam totaled 61,805 short tons in 2011, 245,430 short tons in 2012, and 166,732 short tons in 2013.

Note.-- Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Note.-- Global exports of OCTG reported by the Philippines are understated. In response to Commission questionnaires, Philippine producers reported exporting *** short tons in 2011, *** short tons in 2012, and *** short tons in 2013. See table VII-5.

Source: Global Trade Atlas (accessed June 4, 2014), HS subheadings 7304.29, 7305.20, 7306.29.

Table VII-26

OCTG: Baker Hughes International Rotary Rig Count, by country or region, 2011–13

Country or region	Calendar year		
	2011	2012	2013
Average rig counts			
Country:			
United States	1,875	1,919	1,761
Canada	423	365	355
Region:			
Latin America	424	423	419
Europe	118	119	135
Africa	78	96	125
Middle East	291	356	372
Asia Pacific	256	241	246
Total	3,465	3,518	3,412

Note.—Data include both onshore and offshore oil and gas rotary rigs.

Source: Baker Hughes International Rig Count, April 2014, found at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsintl>, retrieved June 4, 2014.

Table VII-27

OCTG: Baker Hughes International Rotary Rig Count, by country or region, Jan.–March 2013 through April–June 2014

Country or region	Calendar quarter					
	Jan.–March 2013	April–June 2013	July–Sept. 2013	Oct.–Dec. 2013	Jan.–March 2014	April–June 2014
Rig counts						
Country:						
United States	1,758	1,761	1,769	1,757	1,780	1,852
Canada	536	155	349	378	526	202
Region:						
Latin America	426	425	407	416	402	402
Europe	134	133	140	133	135	149
Africa	114	127	124	135	142	133
Middle East	355	368	373	392	400	415
Asia Pacific	245	252	241	245	258	249
Total	3,569	3,221	3,403	3,456	3,644	3,401

[†] Not available.

Note.—Data include both onshore and offshore oil and gas rotary rigs.

Source: Baker Hughes International Rig Count, June 2014, found at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsintl>, retrieved July 23, 2014.

Argentina

Although Argentina is South America's largest natural gas producer, its natural gas production has declined over 10 percent from peak levels in 2006.¹⁷³ Moreover, although domestic demand for energy has grown rapidly in recent years, oil and gas production in Argentina has declined, and consequently, the country increasingly relies on imports of both products to meet its domestic energy needs.¹⁷⁴ Argentina possesses the third largest endowment of recoverable shale gas in the world, and there are numerous projects under development to exploit these resources.¹⁷⁵ As of May 2014, Argentina had 105 active rotary oil and gas rigs.¹⁷⁶ In 2013, Argentina was the sixth-largest exporter of OCTG (see table VII-25). The leading markets for Argentina's exports of OCTG in 2013 were the United States, Saudi Arabia, and Venezuela (table VII-28).

According to ***¹⁷⁷ and the American Petroleum Institute (API) Composite List,¹⁷⁸ there are five known producers of OCTG in Argentina: Tenaris Siderca, M. Royo, Duralitte S.A., Formar S.A. and Tubhier. Tenaris Siderca is a wholly-owned subsidiary of Tenaris (Luxembourg), a leading global tube producer, with an annual production capacity of over 900,000 short tons of seamless tubular products.¹⁷⁹ Tenaris also has welded steel tube mills located in Buenos Aires and Santa Fe provinces, which together have an annual combined production capacity of 430,000 short tons of welded steel tubes.¹⁸⁰ Tubhier produces a small amount of welded carbon and low-alloy steel OCTG, line pipe, and standard pipe on its two mills in San Luis.¹⁸¹

¹⁷³ Energy Information Administration (EIA), "Argentina Energy Profile," July 24, 2012, found at <http://www.eia.gov/countries/cab.cfm?fips=AR>, retrieved July 22, 2013.

¹⁷⁴ EIA, "Argentina Energy Profile," July 24, 2012, found at <http://www.eia.gov/countries/cab.cfm?fips=AR>, retrieved July 22, 2013; EIA, "Argentina Country Analysis Note," April 2014.

¹⁷⁵ EIA, "Argentina Energy Profile," July 24, 2012, found at <http://www.eia.gov/countries/cab.cfm?fips=AR>, retrieved July 22, 2013.

¹⁷⁶ Baker Hughes Inc., International Rig Rotary Rig Count, found at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsintl>, retrieved June 6, 2014.

¹⁷⁷ ***.

¹⁷⁸ The API Composite List is a directory of 4,395 companies in 78 countries supplying the oil and natural gas industry. It includes licensing, registration, and product details of the organizations participating in the various API Certification Programs, including firms that are licensed for the API 5CT (oil and gas casing and tubing) Monogram. API Composite List, found at <http://compositelist.api.org>, retrieved July 23, 2014.

¹⁷⁹ Tenaris is the parent company of U.S. OCTG producer Maverick Tube.

¹⁸⁰ Tenaris Website, "Argentina Profile," found at <http://www.tenaris.com/en/tenarisworldwide/southamerica/argentina.aspx>, retrieved on July 23, 2014.

¹⁸¹ Tubhier Website, "Company Profile," found at <http://www.tubhier.com.ar/>, retrieved July 23, 2013.

Table VII-28

OCTG: Argentina's reported exports, 2011-2013

Country	Calendar year		
	2011	2012	2013
	Quantity (<i>short tons</i>)		
United States	132,273	143,632	215,817
Saudi Arabia	29,102	21,393	32,418
Venezuela	25,628	27,788	19,804
Ecuador	27,097	16,207	17,529
United Arab Emirates	21,211	15,500	14,836
Iraq	12,671	35,609	14,203
Indonesia	45,733	59,950	13,260
Nigeria	4,885	12,376	10,162
Italy	5,149	9,712	8,322
Bolivia	6,626	6,586	8,268
Congo	5,459	2,360	8,152
Romania	9,915	4,404	7,652
Chile	7,642	7,261	6,698
Egypt	17,121	9,474	6,636
Equatorial Guinea	6,089	11,644	6,435
Canada	27,996	6,997	4,184
Pakistan	842	2,399	3,247
China	2,071	563	2,801
Russia	3,463	3,347	2,224
Denmark	646	1,997	2,073
All other	62,951	44,238	10,314
Total	454,571	443,438	415,038

Note.—Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: Global Trade Atlas (accessed June 4, 2014), HS subheadings 7304.29, 7305.20, 7306.29.

Canada

Canada is the world's sixth-largest oil producer, and virtually all of its crude oil exports are destined for the United States.¹⁸² Canada holds a relatively small share of the world's proven natural gas reserves, yet is the fourth largest exporter of natural gas.¹⁸³ As of April 2014, Canada's rig count was 204, down from 449 the previous month.¹⁸⁴

In 2013, Canada was the seventh-largest exporter of OCTG (see table VII-25). The United States is the leading market for Canada's exports of OCTG (table VII-29). Several Canadian companies produce casing and tubing. Some of these firms are owned by non-

¹⁸² EIA, "Canada Energy Profile," December 10, 2012, found at <http://www.eia.gov/countries/cab.cfm?fips=CA>, retrieved July 22, 2013.

¹⁸³ EIA, "Canada Energy Profile," December 10, 2012, found at <http://www.eia.gov/countries/cab.cfm?fips=CA>, retrieved July 22, 2013.

¹⁸⁴ Baker Hughes Inc., "Rig Count Overview and Summary Count," found at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsoverview>, retrieved June 4, 2014. Canada's rig count typically falls in the spring due to ground thawing, which makes moving drilling equipment more difficult to transport.

Canadian parent companies, including Evraz North America (a subsidiary of Russian steel producer Evraz); Vallourec Canada (a subsidiary of France-based Vallourec Group and affiliate of U.S.-based Vallourec Star); Tenaris (Luxembourg), which owns U.S. OCTG producer Maverick; and JMC Steel Group, which owns EnergeX, a merger of JMC's U.S. tubular assets and Canadian OCTG producer Lakeside Steel. In July 2013, Evraz North America announced plans to build a tubular production facility in Calgary by 2014, which will increase its heat-treatment capacity from 80,000 short tons to 200,000 short tons per year.¹⁸⁵ In January 2013, Vallourec Canada was created via a merger between Vallourec Tubes Canada, a pipe and tube producer, and VAM Canada, Inc., a manufacturer of threaded connections.¹⁸⁶ JMC Steel Group Inc. (parent company of EnergeX) completed its acquisition of Lakeside Steel Corporation in April 2012.¹⁸⁷ In 2014, EnergeX announced plans to idle its OCTG mill (formerly Lakeside Steel) in Welland, Ontario and lay off its workers at the plant in response to market conditions and the "influx of unfairly traded OCTG imports into North America."¹⁸⁸

¹⁸⁵ "Evraz to expand heat treat capacity at Calgary tubular plant by 150%," *ASM International*, July 2013; Evraz, *Annual Report*, 2013, p. 60.

¹⁸⁶ *Preston Pipe and Tube Report*, Volume 31, No. 1, January 2013, p. 22.

¹⁸⁷ JMC Steel Group, "JMC Steel Group Acquires Lakeside Steel Inc., Expanding Offering for Oil and Gas Industry," April 3, 2012, found at <http://www.jmcsteelgroup.com/press-release/jmc-steel-group-acquires-lakeside-steel-inc>.

¹⁸⁸ Metal Bulletin, "EnergeX Tube idles Ontario facility, lays off workers," March 26, 2014; Furminger, "EnergeX Tube shutting down in Welland," *Welland Tribune*, March 26, 2014.

Table VII-29

OCTG: Canada's reported exports, 2011–13

Country	Calendar year		
	2011	2012	2013
	Quantity (<i>short tons</i>)		
United States	410,871	412,867	314,263
Mexico	2,059	1,150	3,818
Venezuela	7	0	289
Cuba	486	243	278
France	1,097	623	218
Burkina Faso	1	0	28
Argentina	19	0	25
Angola	0	0	21
Australia	13	30	18
United Arab Emirates	285	34	9
Qatar	0	0	9
Russia	132	2	8
China	257	338	8
Vietnam	0	28	8
Kazakhstan	2	18	8
Mauritania	0	0	8
Brazil	101	4	7
Cote d'Ivoire	0	0	6
Algeria	0	0	4
Gabon	0	0	4
All other	2,844	929	28
Total	418,175	416,266	319,063

Note.—Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: Global Trade Atlas (accessed June 4, 2014), HS subheadings 7304.29, 7305.20, 7306.29.

Germany

Germany is the largest energy consumer in Europe, and imports nearly all of its oil and natural gas. Oil is Germany's primary source of energy, accounting for 38 percent of Germany's total primary energy consumption in 2011.¹⁸⁹ In addition, Germany has no liquefied natural gas terminals, so it must import gas via pipeline exclusively from Russia, Norway, or other European countries.¹⁹⁰ As of May 2014, Germany has 3 rigs.¹⁹¹ Nonetheless, Germany is the largest OCTG producer and exporter in Europe. In 2013, Germany was the ninth-largest global exporter (down from eighth position in 2012) and the largest European exporter of OCTG (see table VII-25). The leading markets for Germany's exports of OCTG in 2013 were the United States, Indonesia, and the United Kingdom (table VII-30).

There are several OCTG producers in Germany, including V&M Deutschland, a subsidiary of Vallourec Group (France) and affiliate of U.S. OCTG producer Vallourec Star; Benteler

¹⁸⁹ EIA, "Germany Energy Profile," May 30, 2013, EIA, "Germany Country Analysis Note," April 2014.

¹⁹⁰ EIA, "Germany Energy Profile," May 30, 2013.

¹⁹¹ Baker Hughes Inc., International Rotary Rig Count, found at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsintl>, retrieved July 17, 2014.

Steel/Tube, which in 2012 announced plans to build a \$900 million seamless OCTG mill in Caddo, Louisiana (slated for completion in 2015);¹⁹² and TPS Technitube Rohrenwerke.

Table VII-30
OCTG: Germany's reported exports, 2011–13

Country	Calendar year		
	2011	2012	2013
	Quantity (<i>short tons</i>)		
United States	81,967	192,896	125,148
Indonesia	11,908	12,501	21,558
United Kingdom	14,548	21,050	15,079
Saudi Arabia	13,847	4,470	14,619
France	12,592	15,117	11,406
Iraq	9,763	5,413	9,485
Canada	713	2,175	9,451
United Arab Emirates	269	1,316	9,157
Angola	6,103	12,499	5,147
Brazil	0	1,606	4,363
Egypt	476	3,517	3,807
Azerbaijan	2,039	3,957	3,768
India	43	153	3,374
Netherlands	3,142	6,551	2,849
Mauritania	0	0	2,638
Nigeria	5,965	2,517	2,155
Qatar	0	957	2,059
Kazakhstan	1,942	1,607	1,927
Belize	2,880	1,704	1,876
Russia	2,546	1,128	1,544
All other	29,359	21,322	10,989
Total	200,104	312,457	262,399

Note.—Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: Global Trade Atlas (accessed June 4, 2014), HS subheadings 7304.29, 7305.20, 7306.29.

Japan

Japan is the world's largest importer of liquefied natural gas and the third largest importer of oil.¹⁹³ Japan relies almost solely on imports to meet its oil needs, and oil imports account for about 42 percent of its broader energy needs.¹⁹⁴ With only 1 active rig as of May 2014, Japan has very limited domestic fossil fuel-based energy resources.¹⁹⁵ As a result, Japan exports almost all of its OCTG production. Japan was the third-largest global exporter of OCTG in 2013 (see table VII-25). The leading markets for Japan's exports of OCTG in 2013 were the United States, Saudi Arabia, and the United Arab Emirates (table VII-31).

¹⁹² *Preston Pipe and Tube Report*, Vol. 30, No. 11, November 2012, p. 25.

¹⁹³ EIA, "Japan Energy Profile," June 4, 2012; EIA, "Japan Country Profile," October 29, 2013.

¹⁹⁴ EIA, "Japan Energy Profile," June 4, 2012.

¹⁹⁵ Baker Hughes Inc., "International Rig Rotary Rig Count," found at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsintl>, retrieved June 4, 2014.

Japanese OCTG producers include Nippon Steel Sumitomo Metals (NSSM) Corporation (as the result of a merger between Nippon Steel and Sumitomo Metal Industries in 2012), JFE Steel Corporation, Tenaris NKK Tubes, a subsidiary of Tenaris (Luxembourg) and affiliate of U.S. OCTG producer Maverick; and Maruichi Steel Tube. According to ***, NSSM's combined annual production of tubular products is almost 8 million short tons (4.3 million short tons at Nippon Steel and 3.3 million short tons at Sumitomo Metal Industries). Tenaris NKK Tubes has an annual steel tube capacity of 280,000 short tons.¹⁹⁶ Maruichi Steel Tube has an annual steel tube capacity of 1,323,000 short tons.¹⁹⁷

Table VII-31
OCTG: Japan's reported exports, 2011–13

Country	Calendar year		
	2011	2012	2013
	Quantity (short tons)		
United States	125,731	186,479	137,524
Saudi Arabia	76,349	51,314	112,338
United Arab Emirates	88,100	44,986	100,423
Singapore	24,126	15,901	45,165
Norway	85,420	67,164	40,547
Malaysia	60,787	62,508	30,579
Kuwait	39,367	11,514	28,243
Oman	4,666	46,559	27,310
Australia	27,388	20,855	26,861
Russia	14,692	11,568	25,197
Vietnam	14,687	22,995	23,375
China	32,430	24,899	20,286
Brunei Darussalam	14,316	22,625	18,164
Canada	14,881	17,014	17,931
Indonesia	22,741	16,589	17,679
United Kingdom	18,487	15,824	14,821
Brazil	9,156	6,073	13,367
India	7,990	3,469	12,421
Iraq	21,196	23,661	9,787
Netherlands	6,856	10,417	9,678
All other	52,341	66,927	63,695
Total	761,707	749,339	795,390

Note.—Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: Global Trade Atlas (accessed June 4, 2014), HS subheadings 7304.29, 7305.20, 7306.29.

¹⁹⁶ Tenaris NKK Tubes, "Company Profile," found at <http://www.tenaris.com/shared/documents/files/CB48.pdf>, retrieved July 23, 2013; ***.

¹⁹⁷ ***.

Mexico

Mexico remains one of the ten largest oil producers in the world, even while its oil production has been steadily decreasing since 2004.¹⁹⁸ Development of Mexico's shale gas resources is slow despite Mexico's considerable natural gas resources.¹⁹⁹ Consequently, Mexico must rely on U.S. natural gas imports and liquefied natural gas from other countries to satisfy increasing domestic demand.²⁰⁰ As of May 2014, Mexico has 85 active rigs.²⁰¹ Mexico is the fourth-largest global exporter of OCTG (see table VII-25). The leading markets for Mexico's exports of OCTG in 2013 were the United States, Saudi Arabia, and Canada (table VII-32).

The large majority of Mexico's OCTG production is seamless casing and tubing. The largest of Mexico's OCTG producers is Tenaris TAMSA ("TAMSA"), a wholly-owned subsidiary of Tenaris (Luxembourg) and affiliate of U.S. OCTG producer Maverick. In May 2013, TAMSA opened a new seamless tube rolling mill in Veracruz, Mexico, with an annual production capacity of 450,000 short tons.²⁰² According to ***, TAMSA's annual seamless production capacity is 860,000 short tons.²⁰³ VAM Mexico, a subsidiary of Vallourec (France) and affiliate of U.S. OCTG producer Vallourec Star, produces couplings and provides threading services for OCTG at its Veracruz facility.²⁰⁴

¹⁹⁸ EIA, "Mexico Energy Profile," October 17, 2012; EIA, "Mexico Country Profile," April 24, 2014.

¹⁹⁹ EIA, "Mexico Energy Profile," October 17, 2012.

²⁰⁰ EIA, "Mexico Energy Profile," October 17, 2012.

²⁰¹ Baker Hughes Inc., International Rig Rotary Rig Count, found at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsintl>, retrieved June 4, 2014.

²⁰² "Tenaris opens a new rolling mill in Mexico," *New Europe Online*, July 22, 2013, found at <http://www.neurope.eu/article/tenaris-opens-new-rolling-mill-mexico>.

²⁰³ ***.

²⁰⁴ VAM USA Website, "Facilities," found at <http://www.vam-usa.com/company-facilities.aspx>, retrieved July 23, 2013.

Table VII-32

OCTG: Mexico's reported exports, 2011–13

Country	Calendar year		
	2011	2012	2013
	Quantity (<i>short tons</i>)		
United States	201,598	158,786	157,251
Saudi Arabia	29,895	13,654	84,536
Canada	58,666	102,006	69,992
Ecuador	15,667	27,183	59,089
Colombia	67,546	42,937	45,811
Iraq	9,439	35,516	25,078
Angola	8,287	10,094	18,480
Egypt	7,139	10,100	14,812
Venezuela	9,697	18,390	13,525
Argentina	2,557	11,148	13,404
Italy	6,771	7,014	13,093
Nigeria	3,067	3,985	11,968
Libya	671	2,210	11,761
Romania	2,048	3,997	9,819
Kazakhstan	5,126	2,875	9,737
Russia	6,572	15,678	8,655
Denmark	3,243	4,752	8,268
Norway	9,986	15,107	6,668
United Arab Emirates	5,561	9,990	6,476
Indonesia	108	398	5,672
All other	43,997	42,655	43,012
Total	497,642	538,476	637,109

Note.—Original data were published in metric tons, which were converted to short tons by multiplying by 1.102311. Because of rounding, figures may not add to the totals shown.

Source: Global Trade Atlas (accessed June 4, 2014), HS subheadings 7304.29, 7305.20, 7306.29.

Recent OCTG operations in select nonsubject countries

Staff requested that U.S. producers provide a statistical profile of their related OCTG operations in nonsubject countries. These operations account for a substantial portion of the OCTG production in several of the leading nonsubject countries supplying the United States with OCTG. Broader information concerning major suppliers' operations was presented in tables VII-22 through VII-24 and VII-28 through VII-32.

Reported data for Canada includes data for four producers: Algoma & Prudential, related to U.S. producer Maverick; EnergeX Tube, related to U.S. producer EnergeX; Evraz Inc. NA Canada, related to U.S. producer Evraz; and Welded Tube of Canada Corp., related to U.S. producer Welded Tube. In 2013, the reporting Canadian producers had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization rate of *** percent. Reporting Canadian producers shipped *** short tons to their home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Russia includes data for one producer, OAO TMK, related to U.S. producer TMK IPSCO. In 2013, the reporting Russian producer's capacity to produce OCTG approached *** short tons, and *** short tons were produced, resulting in a capacity utilization of *** percent. The reporting Russian producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Argentina includes data for one producer, Siderca, related to U.S. producer Maverick. In 2013, the reporting Argentinian producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting Argentinian producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Brazil includes data for two producers: Apolo Tubulars, related to U.S. producer U.S. Steel and Vallourec Brazil, related to U.S. producer Vallourec. In 2013, the reporting Brazilian producers had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. Reporting Brazilian producers shipped *** short tons to their home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Colombia includes data for one producer, TuboCaribe, related to U.S. producer Maverick. In 2013, the reporting Colombian producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting Colombian producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for France includes data for two producers: Vallourec France, related to and Vallourec Oil France, both related to U.S. producer Vallourec. In 2013, the reporting French producers had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. Reporting French producers shipped *** short tons to their home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Germany includes data for one producer, Vallourec Deutschland, related to U.S. producer Vallourec. In 2013, the reporting German producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting German producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Indonesia includes data for one producer, PT Citra Tubindo TBK, related to U.S. producer Vallourec. In 2013, the reporting Indonesian producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting Indonesian producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Italy includes data for one producer, Dalmine, related to U.S. producer Maverick. In 2013, the reporting Italian producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting Italian producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Japan includes data for one producer, NKK Tubes, related to U.S. producer Maverick. In 2013, the reporting Japanese producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting Japanese producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Mexico includes data for one producer, TAMSA, related to U.S. producer Maverick. In 2013, the reporting Mexican producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting Mexican producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Oman includes data for one producer, TMK Gulf International Pipe Industry L.L.C., related to U.S. producer TMK IPSCO. In 2013, the reporting Omani producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting Omani producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for Romania includes data for two producers: Silcotub, related to U.S. producer Maverick and TMK-ARTROM S.A., related to U.S. producer TMK IPSCO. In 2013, the reporting Romanian producers had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. Reporting Romanian producers shipped *** short tons to their home market, and exported *** short tons (accounting for *** percent of total shipments).

Reported data for the United Kingdom includes data for one producer, Vallourec Oil & Gas UK, related to U.S. producer Vallourec. In 2013, the reporting UK producer had *** short tons of capacity to produce OCTG, and produced *** short tons, resulting in a capacity utilization of *** percent. The reporting UK producer shipped *** short tons to its home market, and exported *** short tons (accounting for *** percent of total shipments).

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
78 FR 41421 July 10, 2013	<i>Certain Oil Country Tubular Goods From India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-07-10/pdf/2013-16515.pdf
78 FR 45502 July 29, 2013	<i>Certain Oil Country Tubular Goods From India and Turkey: Initiation of Countervailing Duty Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-07-29/pdf/2013-18165.pdf
78 FR 45505 July 29, 2013	<i>Certain Oil Country Tubular Goods from India, the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-07-29/pdf/2013-18164.pdf
78 FR 77421 December 23, 2013	<i>Certain Oil Country Tubular Goods From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-12-23/pdf/2013-30559.pdf

Citation	Title	Link
78 FR 77420 December 23, 2013	<i>Certain Oil Country Tubular Goods From the Republic of Turkey: Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-12-23/pdf/2013-30563.pdf
79 FR 10493, February 25, 2014	<i>Certain Oil Country Tubular Goods From India: Preliminary Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04106.pdf
79 FR 10480, February 25, 2014	<i>Certain Oil Country Tubular Goods From the Republic of Korea: Negative Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04110.pdf
79 FR 10491, February 25, 2014	<i>Certain Oil Country Tubular Goods From the Republic of the Philippines: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04093.pdf
79 FR 10489, February 25, 2014	<i>Certain Oil Country Tubular Goods From Saudi Arabia: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04102.pdf

Citation	Title	Link
79 FR 10487, February 25, 2014	<i>Certain Oil Country Tubular Goods From Thailand: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04096.pdf
79 FR 10495, February 25, 2014	<i>Certain Oil Country Tubular Goods From Taiwan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04088.pdf
79 FR 18667, April 3, 2014	<i>Certain Oil Country Tubular Goods From Taiwan: Amended Preliminary Negative Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-04-03/pdf/2014-07485.pdf
79 FR 10482, February 25, 2014	<i>Certain Oil Country Tubular Goods From Ukraine: Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04101.pdf
79 FR 10478, February 25, 2014	<i>Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, in Part, and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-02-25/pdf/2014-04036.pdf

Citation	Title	Link
79 FR 18667, April 3, 2014	<i>Certain Oil Country Tubular Goods From Taiwan: Amended Preliminary Negative Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-04-03/pdf/2014-07485.pdf
79 FR 19122, April 7, 2014	<i>Certain Oil Country Tubular Goods From India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam; Scheduling of the Final Phase of Countervailing Duty and Antidumping Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-04-07/pdf/2014-07568.pdf
79 FR 41981, July 18, 2014	<i>Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances: Certain Oil Country Tubular Goods From India</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16868.pdf
79 FR 41986 July 18, 2014	<i>Certain Oil Country Tubular Goods From Saudi Arabia: Final Determination of Sales at Less Than Fair Value¹</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16867.pdf
79 FR 41979 July 18, 2014	<i>Certain Oil Country Tubular Goods From Taiwan: Final Determination of Sales at Less Than Fair Value</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16861.pdf
79 FR 41978 July 18, 2014	<i>Certain Oil Country Tubular Goods From Thailand: Final Determination of Sales at Less Than Fair Value</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16866.pdf
79 FR 41983 July 18, 2014	<i>Certain Oil Country Tubular Goods From the Republic of Korea: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16874.pdf

79 FR 41976 July 18, 2014	<i>Certain Oil Country Tubular Goods From the Republic of the Philippines: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16865.pdf
79 FR 41971 July 18, 2014	<i>Certain Oil Country Tubular Goods From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances, in Part</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16873.pdf
79 FR 41973 July 18, 2014	<i>Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16862.pdf
79 FR 41959, July 18, 2014	<i>Suspension of Antidumping Investigation: Certain Oil Country Tubular Goods From Ukraine</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16876.pdf
79 FR 41969 July 18, 2014	<i>Certain Oil Country Tubular Goods From Ukraine: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-07-18/pdf/2014-16875.pdf

¹ The Department of Commerce in a document dated August 11, 2014, amended its final determination in the investigation concerning certain oil country tubular goods from Saudi Arabia.

Source: <https://www.federalregister.gov/>

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Certain Oil Country Tubular Goods from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam

Inv. Nos.: 701-TA-499-500 and 731-TA-1215-1223 (Final)

Date and Time: July 15, 2014 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main hearing Room (Room 101), 500 E Street, S.W., Washington, DC.

CONGRESSIONAL APPEARANCES:

The Honorable Sherrod Brown, United States Senator, Ohio

The Honorable Robert P. Casey, Jr., United States Senator, Pennsylvania

The Honorable Amy Klobuchar, United States Senator, Minnesota

The Honorable Pat Toomey, United States Senator, Pennsylvania

The Honorable Peter J. Visclosky, U.S. Representative, 1st District, Indiana

The Honorable Spencer Bachus, U.S. Representative, 6th District, Alabama

The Honorable Mike Doyle, U.S. Representative, 14th District, Pennsylvania

The Honorable Tim Murphy, U.S. Representative, 18th District, Pennsylvania

The Honorable Rick Crawford, U.S. Representative, 1st District, Arkansas

EMBASSY WITNESSES:

Embassy of the Republic of Turkey
Washington, DC

Tuba Hatipoglu, Commercial Counselor

Embassy of Ukraine
Washington, DC

Ihor Baranetskyi, Head of Economic Department

OPENING REMARKS:

Petitioners (**Roger B. Schagrin**, Schagrin Associates)
Respondents (**Donald B. Cameron**, Morris, Manning & Martin, LLP)

In Support of the Imposition of
Antidumping and Countervailing Duty Orders:

Schagrin Associates
Washington, DC
on behalf of

Boomerang Tube
Energex Tube, a division of JMC Steel Group
Tejas Tubular Products
TMK IPSCO
Vallourec Star, L.P.
Welded Tube USA, Inc.
The United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial,
and Service Workers International Union (“USW”)

Gregg Eisenberg, President *and* Chief Executive Officer,
Boomerang Tube

Randy Boswell, President, Energex Tube, a division of JMC
Steel Group

Bob Okrzesik, Vice President of Marketing, Energex Tube,
a division of JMC Steel Group

Maximo Tejeda, President *and* Chief Executive Officer,
Tejas Tubular Products

David Mitch, President *and* Chief Executive Officer,
TMK IPSCO

**In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):**

Scott Barnes, Senior Vice President *and* Chief Commercial Officer, TMK IPSCO

Skip Herald, Managing Director – North America, Vallourec USA

Ronny Clark, General Manager – Sales and Marketing, Vallourec Star, L.P.

Robert “Butch” Mandel, President, Welded Tube

Leo Gerard, International President, USW

Steve Tait, President, Pipeco

Roger B. Schagrin)
John W. Bohn) – OF COUNSEL
Paul W. Jameson)

Wiley Rein LLP
Washington, DC
on behalf of

Maverick Tube Corporation (“Maverick”)

Guillermo Vogel, Board Member *and* Vice President of Finance, Tenaris S.A.

Germán Curá, President *and* Chief Executive Officer, Maverick; *and* Managing Director, Tenaris North America

Brad Lowe, Director, Maverick; *and* President, Tenaris Global Services (USA) Inc.

Dr. Michael Whinston, Professor of Economics, Massachusetts Institute of Technology

Dr. Seth Kaplan, Senior Economic Advisor, Capital Trade, Inc.

Alan H. Price)
Robert E. DeFrancesco, III) – OF COUNSEL

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:**

Morris, Manning & Martin, LLP
Washington, DC
on behalf of

Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Sirketi
Çayirova Boru Sanayi ve Ticaret A.S.
Yücel Boru Ithalat-Ihracat ve Pazarlama A.S.
Tosçelik Profil ve Sac Endustrisi A.S.
Tosyali Dis Ticaret A.S.

and

AJU Besteel Co., Ltd.
Husteel Co., Ltd.
Hyundai HYSCO
Nexteel Co., Ltd.
SeAH Steel America, Inc.
Husteel USA, Inc.
Hyundai HYSCO USA, Inc.
SeAH Steel America, Inc.

Semih Ozmen, President *and* Chief Executive Officer, Borusan
Mannesmann Boru Sanayi ve Ticaret Anonim Sirketi

Buddy Brewer, President *and* Chief Executive Officer, Borusan
Mannesmann Pipe US Inc.

Kirk Murray, Vice President *and* General Manager, Pan Meridian
Tubular

Chuck Scianna, President, Sim-Tex, L.P.

Dong-Heui Pi, Manager, Marketing Strategy Team, Hyundai
HYSCO Ltd.

Jim Dougan, Vice President, Economic Consulting Service, LLC

Julie C. Mendoza)
Donald B. Cameron) – OF COUNSEL
R. Will Planert)

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):**

Arent Fox LLP
Washington, DC
on behalf of

Duferco Steel Inc. (“Duferco”)
Jubail Energy Services Company (“JESCO”)

John Blomberg, Director of Pipe and Tube, Duferco SA

John M. Gurley) – OF COUNSEL

Hogan Lovells US LLP
Washington, DC
on behalf of

Interpipe and North American Interpipe (“Interpipe”)

Fadi Hraibi, Chief Commercial Officer, Interpipe

Mark S. McConnell)
Craig A. Lewis) – OF COUNSEL
Wesley V. Carrington)

Steptoe & Johnson LLP
Washington, DC
on behalf of

ILJIN Steel Corporation (“ILJIN”)

Richard O. Cunningham)
) – OF COUNSEL
Joel D. Kaufman)

Grunfeld, Desiderio, Lebowitz, Silverman, & Klestadt LLP
Washington, DC
on behalf of

Boly Pipe Co. Ltd. (“Boly”)

Francis J. Sailer)
Ned H. Marshak) – OF COUNSEL
Brandon M. Petelin)

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):**

DeKieffer & Horgan, PLLC
Washington, DC
on behalf of

HLD Clark Steel Pipe Co., Inc. (“HLD Clark”)

Gregory S. Menegaz)
) – OF COUNSEL
Judith L. Holdsworth)

Vorys, Sater, Seymour and Pease LLP
Washington, DC
on behalf of

C&F International Incorporated (“C&F”)

Frederick P. Waite)
) – OF COUNSEL
Kimberly R. Young)

Law Offices of Nithya Nagarajan, LLC
Bethesda, MD
on behalf of

Jindal SAW Ltd.

Nithya Nagarajan) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

Petitioners (**Alan H. Price**, Wiley Rein LLP *and* **Stephen Vaughn**, Skadden, Arps, Slate, Meagher & Flom LLP)

Respondents (**Donald B. Cameron** and **Julie C. Mendoza**, Morris, Manning & Martin, LLP; **Richard O. Cunningham**, Steptoe & Johnson LLP; *and* **Mark S. McConnell**, Hogan Lovells US LLP)

-END-

APPENDIX C
SUMMARY DATA

Table C-1

OCTG: Summary data concerning the U.S. market, 2011-13, January to March 2013, and January to March 2014

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		2011-13	Calendar year		Jan-Mar 2013-14
	2011	2012	2013	2013	2014		2011-12	2012-13	
U.S. consumption quantity:									
Amount.....	5,975,616	6,958,567	6,978,687	1,605,438	1,840,854	16.8	16.4	0.3	14.7
Producers' share (fn1).....	52.5	48.7	53.5	54.2	51.6	1.1	(3.8)	4.9	(2.6)
Importers' share (fn1):									
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Philippines.....	0.4	1.0	1.1	0.7	1.0	0.7	0.6	0.1	0.2
Saudi Arabia.....	***	***	***	***	***	***	***	***	***
Taiwan subject.....	***	***	***	***	***	***	***	***	***
Thailand.....	0.1	0.5	0.5	0.2	0.6	0.4	0.4	0.0	0.4
Turkey.....	2.4	2.2	1.9	1.5	1.9	(0.4)	(0.2)	(0.3)	0.3
Ukraine.....	***	***	***	***	***	***	***	***	***
Vietnam.....	0.9	3.2	2.1	2.0	0.1	1.1	2.2	(1.1)	(1.8)
Subtotal subject sources.....	***	***	***	***	***	***	***	***	***
Taiwan Chang Hung nonsubject.....	***	***	***	***	***	***	***	***	***
All other nonsubject sources.....	***	***	***	***	***	***	***	***	***
Subtotal nonsubject sources.....	***	***	***	***	***	***	***	***	***
Total imports.....	47.5	51.3	46.5	45.8	48.4	(1.1)	3.8	(4.9)	2.6
U.S. consumption value:									
Amount.....	9,428,496	11,139,529	10,095,576	2,373,975	2,603,764	7.1	18.1	(9.4)	9.7
Producers' share (fn1):									
U.S. mills' U.S. shipments.....	56.1	52.7	57.8	57.3	56.3	1.7	(3.4)	5.1	(1.0)
U.S. processors' toll revenue/incremental value.....	1.7	2.0	2.6	2.6	2.7	0.9	0.3	0.7	0.1
Total U.S. producer contributions.....	57.8	54.6	60.4	59.9	59.0	2.6	(3.1)	5.8	(0.9)
Importers' share (fn1):									
India.....	***	***	***	***	***	***	***	***	***
Korea.....	***	***	***	***	***	***	***	***	***
Philippines.....	0.2	0.6	0.6	0.4	0.5	0.4	0.4	0.0	0.1
Saudi Arabia.....	***	***	***	***	***	***	***	***	***
Taiwan subject.....	***	***	***	***	***	***	***	***	***
Thailand.....	0.1	0.4	0.4	0.2	0.6	0.3	0.3	0.0	0.4
Turkey.....	1.4	1.3	1.1	0.9	1.1	(0.3)	(0.1)	(0.2)	0.2
Ukraine.....	***	***	***	***	***	***	***	***	***
Vietnam.....	0.6	1.8	1.2	1.1	0.1	0.6	1.2	(0.6)	(1.0)
Subtotal subject sources.....	***	***	***	***	***	***	***	***	***
Taiwan Chang Hung nonsubject.....	***	***	***	***	***	***	***	***	***
All other nonsubject sources.....	***	***	***	***	***	***	***	***	***
Subtotal nonsubject sources.....	***	***	***	***	***	***	***	***	***
Total imports.....	42.2	45.4	39.6	40.1	41.0	(2.6)	3.1	(5.8)	0.9
U.S. importers' U.S. Imports from:									
India:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Korea:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Philippines:									
Quantity.....	23,933	69,757	73,969	12,030	17,794	209.1	191.5	6.0	47.9
Value.....	21,542	64,567	60,391	9,784	13,739	180.3	199.7	(6.5)	40.4
Unit value.....	\$900	\$926	\$816	\$813	\$772	(9.3)	2.8	(11.8)	(5.1)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Saudi Arabia:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Taiwan subject:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Thailand:									
Quantity.....	6,135	31,833	33,741	3,424	11,911	450.0	418.9	6.0	247.9
Value.....	8,053	43,815	39,752	4,593	16,280	393.6	444.1	(9.3)	254.5
Unit value.....	\$1,313	\$1,376	\$1,178	\$1,341	\$1,367	(10.2)	4.9	(14.4)	1.9
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Turkey:									
Quantity.....	140,806	151,576	133,773	24,217	34,158	(5.0)	7.6	(11.7)	41.0
Value.....	133,698	144,280	114,981	22,481	29,012	(14.0)	7.9	(20.3)	29.1
Unit value.....	\$950	\$952	\$860	\$928	\$849	(9.5)	0.2	(9.7)	(8.5)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Ukraine:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***

Table continued next page

Table C-1--Continued

OCTG: Summary data concerning the U.S. market, 2011-13, January to March 2013, and January to March 2014

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	2011	Calendar year 2012	2013	January to March 2013	2014	2011-13	Calendar year 2011-12	2012-13	Jan-Mar 2013-14
U.S. importers' U.S. Imports from--Continued									
Vietnam:									
Quantity.....	56,697	219,997	144,871	31,876	2,757	155.5	288.0	(34.1)	(91.4)
Value.....	53,923	201,905	119,291	26,414	3,144	121.2	274.4	(40.9)	(88.1)
Unit value.....	\$951	\$918	\$823	\$829	\$1,140	(13.4)	(3.5)	(10.3)	37.6
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Taiwan Chang Hung nonsubject:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other nonsubject sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Total imports:									
Quantity.....	2,839,740	3,570,796	3,242,306	734,735	890,275	14.2	25.7	(9.2)	21.2
Value.....	3,981,070	5,053,876	3,997,131	952,338	1,067,990	0.4	26.9	(20.9)	12.1
Unit value.....	\$1,402	\$1,415	\$1,233	\$1,296	\$1,200	(12.1)	1.0	(12.9)	(7.4)
Ending inventory quantity.....	401,502	614,953	626,089	583,630	532,202	55.9	53.2	1.8	(8.8)
U.S. mills:									
Average capacity quantity.....	4,925,253	5,181,573	5,804,450	1,374,216	1,478,139	17.9	5.2	12.0	7.6
Production quantity.....	3,329,004	3,587,613	4,107,433	995,468	1,064,678	23.4	7.8	14.5	7.0
Capacity utilization (fn1).....	67.6	69.2	70.8	72.4	72.0	3.2	1.6	1.5	(0.4)
U.S. shipments:									
Quantity.....	3,135,876	3,387,771	3,736,381	870,703	950,579	19.1	8.0	10.3	9.2
Value.....	5,286,771	5,867,506	5,833,652	1,359,773	1,466,007	10.3	11.0	(0.6)	7.8
Unit value.....	\$1,686	\$1,732	\$1,561	\$1,562	\$1,542	(7.4)	2.7	(9.9)	(1.2)
Export shipments:									
Quantity.....	173,398	209,086	258,589	44,839	83,823	49.1	20.6	23.7	86.9
Value.....	306,292	360,066	359,637	74,504	107,397	17.4	17.6	(0.1)	44.1
Unit value.....	\$1,766	\$1,722	\$1,391	\$1,662	\$1,281	(21.3)	(2.5)	(19.2)	(22.9)
Ending inventory quantity.....	357,030	319,151	365,485	382,283	375,999	2.4	(10.6)	14.5	(1.6)
Inventories/total shipments (fn1).....	10.8	8.9	9.1	10.4	9.1	(1.6)	(1.9)	0.3	(1.4)
Production workers.....	5,976	7,135	6,891	6,760	7,092	15.3	19.4	(3.4)	4.9
Hours worked (1,000s).....	13,017	15,059	16,015	3,913	3,973	23.0	15.7	6.3	1.5
Wages paid (\$1,000).....	369,492	451,581	507,746	110,092	129,040	37.4	22.2	12.4	17.2
Hourly wages (dollars per hour).....	\$28.39	\$29.99	\$31.70	\$28.13	\$32.48	11.7	5.6	5.7	15.4
Productivity (short tons per 1,000 hours).....	255.7	238.2	256.5	254.4	268.0	0.3	(6.8)	7.7	5.3
Unit labor costs.....	\$110.99	\$125.87	\$123.62	\$110.59	\$121.20	11.4	13.4	(1.8)	9.6
Net sales:									
Quantity.....	3,306,386	3,602,983	4,010,042	929,328	1,032,178	21.3	9.0	11.3	11.1
Value.....	5,590,347	6,235,687	6,229,566	1,450,989	1,591,597	11.4	11.5	(0.1)	9.7
Unit value.....	\$1,691	\$1,731	\$1,553	\$1,561	\$1,542	(8.1)	2.4	(10.2)	(1.2)
Cost of goods sold (COGS).....	4,536,410	5,158,130	5,411,229	1,248,276	1,420,597	19.3	13.7	4.9	13.8
Gross profit of (loss).....	1,053,937	1,077,557	818,337	202,713	171,000	(22.4)	2.2	(24.1)	(15.6)
SG&A expenses.....	412,811	463,714	506,639	115,314	124,365	22.7	12.3	9.3	7.8
Operating income or (loss).....	641,126	613,843	311,698	87,399	46,635	(51.4)	(4.3)	(49.2)	(46.6)
Capital expenditures.....	705,202	632,842	370,660	86,680	41,216	(47.4)	(10.3)	(41.4)	(52.5)
Unit COGS.....	\$1,372	\$1,432	\$1,349	\$1,343	\$1,376	(1.6)	4.3	(5.7)	2.5
Unit SG&A expenses.....	\$125	\$129	\$126	\$124	\$120	1.2	3.1	(1.8)	(2.9)
Unit operating income or (loss).....	\$194	\$170	\$78	\$94	\$45	(59.9)	(12.1)	(54.4)	(52.0)
COGS/sales (fn1).....	81.1	82.7	86.9	86.0	89.3	5.7	1.6	4.1	3.2
Operating income or (loss)/sales (fn1).....	11.5	9.8	5.0	6.0	2.9	(6.5)	(1.6)	(4.8)	(3.1)

Table continued next page

Table C-1--Continued

OTCG: Summary data concerning the U.S. market, 2011-13, January to March 2013, and January to March 2014

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	2011	Calendar year 2012	2013	January to March 2013	January to March 2014	2011-13	Calendar year 2011-12	2012-13	Jan-Mar 2013-14
U.S. non-toll and toll processors combined:									
Average capacity quantity.....	674,376	996,876	1,093,280	257,642	320,084	62.1	47.8	9.7	24.2
Production quantity.....	512,674	693,525	783,266	175,046	235,359	52.8	35.3	12.9	34.5
Capacity utilization (fn1).....	76.0	69.6	71.6	67.9	73.5	(4.4)	(6.5)	2.1	5.6
U.S. shipments:									
Quantity.....	499,623	681,109	789,499	176,275	222,560	58.0	36.3	15.9	26.3
Value.....	326,851	441,562	485,012	109,891	125,054	48.4	35.1	9.8	13.8
of which U.S. value-added.....	160,655	218,147	264,793	61,864	69,767	64.8	35.8	21.4	12.8
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/US shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	1,510	1,802	2,019	1,915	2,245	33.7	19.3	12.0	17.2
Hours worked (1,000s).....	4,178	5,539	6,084	1,440	1,755	45.6	32.6	9.8	21.9
Wages paid (\$1,000).....	52,423	73,735	83,953	19,649	22,809	60.1	40.7	13.9	16.1
Hourly wages (dollars per hour).....	\$12.55	\$13.31	\$13.80	\$13.65	\$13.00	10.0	6.1	3.7	(4.8)
Productivity (short tons per 1,000 hours).....	122.7	125.2	128.7	121.6	134.1	4.9	2.0	2.8	10.3
Unit labor costs.....	\$102.25	\$106.32	\$107.18	\$112.25	\$96.91	4.8	4.0	0.8	(13.7)
Net sales:									
Quantity.....	503,168	688,332	812,781	184,441	232,520	61.5	36.8	18.1	26.1
Value.....	333,361	460,658	493,428	113,935	129,463	48.0	38.2	7.1	13.6
Cost of goods sold or tolled (COGST).....	251,196	367,135	382,976	89,344	96,942	52.5	46.2	4.3	8.5
Gross profit of (loss).....	82,165	93,523	110,452	24,591	32,521	34.4	13.8	18.1	32.2
SG&A expenses.....	39,144	49,103	51,517	10,905	13,011	31.6	25.4	4.9	19.3
Operating income or (loss).....	43,021	44,420	58,935	13,686	19,510	37.0	3.3	32.7	42.6
Capital expenditures.....	79,029	45,544	44,266	11,667	5,098	(44.0)	(42.4)	(2.8)	(56.3)
COGST/sales (fn1).....	75.4	79.7	77.6	78.4	74.9	2.3	4.3	(2.1)	(3.5)
Operating income or (loss)/sales (fn1).....	12.9	9.6	11.9	12.0	15.1	(1.0)	(3.3)	2.3	3.1

Notes: See Part IV for discussion of how the processors' toll revenue/incremental value was calculated.

Unit values for the combined stand-alone and toll processors data have not been provided due to differences in the nature of the data gathered from the two types of processors. Unit values of each group have been provided in the body of this report in their respective, non-combined data tables.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Not applicable.

APPENDIX D

**U.S. PRODUCERS' AND IMPORTERS'
SHIPMENTS AND IMPORTS OF OCTG BY TYPE**

Table D-1

OCTG: U.S. importers' U.S. imports from India, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-2

OCTG: U.S. importers' U.S. imports from Korea, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-3

OCTG: U.S. importers' U.S. imports from the Philippines, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-4

OCTG: U.S. importers' U.S. imports from Saudi Arabia, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-5

OCTG: U.S. importers' U.S. imports from Taiwan (subject), by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-6

OCTG: U.S. importers' U.S. imports from Thailand, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-7

OCTG: U.S. importers' U.S. imports from Turkey, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-8

OCTG: U.S. importers' U.S. imports from Ukraine, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-9

OCTG: U.S. importers' U.S. imports from Vietnam, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table D-10

OCTG: U.S. producers' U.S. shipments of OCTG, by type and end finish, 2013

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Quantity (short tons)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	806,818
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	553,466
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	1,727,521
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	3,903,975
	Value (1,000 dollars)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	944,565
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	903,604
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	2,977,589
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	6,109,989

Table continued on next page.

Table D-10 --Continued

OCTG: U.S. producers' U.S. shipments of OCTG, by type and end finish, 2013

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Unit value (dollars per short ton)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	1,171
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	1,633
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	1,724
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,565
	Share of quantity by end finish (percent)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	100.0
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	100.0
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	100.0
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	100.0

*** Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-11

OCTG: U.S. importers' U.S. shipments of OCTG from subject sources, by type and end finish, 2013

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Quantity (short tons)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	1,037,784
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	209,235
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	175,315
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,551,952
	Value (1,000 dollars)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	1,001,943
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	283,198
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	245,965
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,682,550

Table continued on next page.

Table D-11 --Continued

OCTG: U.S. importers' U.S. shipments of OCTG from subject sources, by type and end finish, 2013

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Unit value (dollars per short ton)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	965
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	1,353
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	1,403
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,084
	Share of quantity by end finish (percent)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	100.0
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	100.0
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	100.0
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	100.0

¹ Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-12

OCTG: U.S. importers' U.S. shipments of OCTG from nonsubject sources, by type and end finish, 2013

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Quantity (short tons)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	140,368
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	207,754
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	685,331
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,224,036
	Value (1,000 dollars)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	159,762
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	356,850
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	1,299,377
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	2,242,185

Table continued on next page.

Table D-12 --Continued

OCTG: U.S. importers' U.S. shipments of OCTG from nonsubject sources, by type and end finish, 2013

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Unit value (dollars per short ton)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	1,138
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	1,718
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	1,896
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,832
	Share of quantity by end finish (percent)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	100.0
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	100.0
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	100.0
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	100.0

¹ Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-13

OCTG: U.S. importers' U.S. shipments of OCTG from India, by type and end finish, 2013

* * * * *

Table D-14

OCTG: U.S. importers' U.S. shipments of OCTG from Korea, by type and end finish, 2013

* * * * *

Table D-15

OCTG: U.S. importers' U.S. shipments of OCTG from Philippines, by type and end finish, 2013

* * * * *

Table D-16

OCTG: U.S. importers' U.S. shipments of OCTG from Saudi Arabia, by type and end finish, 2013

* * * * *

Table D-17

OCTG: U.S. importers' U.S. shipments of OCTG from Taiwan (subject), by type and end finish, 2013

* * * * *

Table D-18

OCTG: U.S. importers' U.S. shipments of OCTG from Thailand, by type and end finish, 2013

* * * * *

Table D-19

OCTG: U.S. importers' U.S. shipments of OCTG from Turkey, by type and end finish, 2013

* * * * *

Table D-20

OCTG: U.S. importers' U.S. shipments of OCTG from Ukraine, by type and end finish, 2013

* * * * *

Table D-21

OCTG: U.S. importers' U.S. shipments of OCTG from Vietnam, by type and end finish, 2013

* * * * *

APPENDIX E

QUARTERLY NONSUBJECT COUNTRY PRICE DATA

Nonsubject pricing data was received for all products, but not for all countries for each product. In total, eight importers reported sales of these pricing products from nonsubject sources, including imports from Argentina, Canada, Germany, Japan, and Mexico, as well as imports from Chung Hung in Taiwan. Importer price data accounted for *** percent of U.S. imports from Taiwan (Chung Hung) over January 2011- March 2014. In addition, they cover *** percent of U.S. imports from Argentina, *** percent of U.S. imports from Canada, *** percent of U.S. imports from Germany, *** percent of U.S. imports from Japan, and *** percent of U.S. imports from Mexico.

When compared with prices of these specific OCTG products manufactured in the United States, OCTG imported from nonsubject sources was priced lower than domestically produced OCTG in 66 of 113 quarters of comparison (58.4 percent). Specifically, OCTG imported from Chung Hung in Taiwan was priced lower in 24 of 28 quarters (85.7 percent of comparisons). Imports from other nonsubject sources were priced lower than the domestic product in just under half of the available comparisons (42 of 85 quarters). In the relatively few comparisons available, product from Germany, Japan, and Mexico were more often priced higher than domestically produced OCTG (3 of 4 quarters, 5 of 6 quarters, and 9 of 13 quarters, respectively). Further detail is included in table E-1.

OCTG imported from subject sources was priced lower than OCTG imported from nonsubject sources in 247 of 350 possible comparisons (70.6 percent). Further information is provided in table E-2.

Table E-1

OCTG: Instances of nonsubject source underselling/overselling when compared with domestic prices, and the range and average margins, by source, January 2011-March 2014

Nonsubject source	Number of quarters of underselling	Number of quarters of (overselling)	Margins of underselling			Margins of (overselling)		
			Average (percent)	Range (percent)		Average (percent)	Range (percent)	
				Min	Max		Min	Max
Taiwan (Chung Hung)	24	4	***	***	***	***	***	***
Argentina	11	10	***	***	***	***	***	***
Canada	25	16	***	***	***	***	***	***
Germany	1	3	***	***	***	***	***	***
Japan	1	5	***	***	***	***	***	***
Mexico	4	9	***	***	***	***	***	***
Subtotal	42	43	***	***	***	***	***	***
Total	66	47	6.8	0.1	25.5	(16.7)	(0.3)	(52.9)

Source: Compiled from data submitted in response to Commission questionnaires.

Table E-2

OCTG: Number of quarters that prices of domestic OCTG and OCTG imported from subject sources were lower and higher than nonsubject and zero-rate source product prices

Comparison country	Number of quarters:	
	Higher prices for OCTG from nonsubject sources	Lower prices for OCTG from nonsubject sources
United States	47	66
India	0	0
Korea	47	25
Philippines	32	13
Saudi Arabia	10	8
Taiwan	44	20
Thailand	7	1
Turkey	49	24
Ukraine	21	3
Vietnam	37	19
Total	247	103

Source: Compiled from data submitted in response to Commission questionnaires.

The underlying pricing and quantity data for the relevant nonsubject countries are shown in tables E-3 to E-8 and in figures E-1 to E-6. These data are comparable to those presented in tables V-6 to V-11.

Table E-3

OCTG: Weighted-average f.o.b. prices and quantities from nonsubject sources, product 1,¹ by quarters, January 2011-March 2014

Period	Argentina		Mexico	
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)
2011:				
Jan.-Mar.	***	***	--	0
Apr.-Jun.	***	***	--	0
Jul.-Sept.	***	***	--	0
Oct.-Dec.	***	***	--	0
2012:				
Jan.-Mar.	***	***	--	0
Apr.-Jun.	***	***	--	0
Jul.-Sept.	***	***	--	0
Oct.-Dec.	***	***	--	0
2013:				
Jan.-Mar.	***	***	--	0
Apr.-Jun.	--	0	--	0
Jul.-Sept.	***	***	***	***
Oct.-Dec.	***	***	***	***
2014:				
Jan.-Mar.	***	***	--	0

¹ Product 1.-- Tubing, Grade L-80, 2 7/8" O.D., 6.5 lbs./ft., threaded and coupled, range 2, seamless.

Source: Compiled from data submitted in response to Commission questionnaires.

Table E-4

OCTG: Weighted-average f.o.b. prices and quantities from nonsubject sources, product 2,¹ by quarters, January 2011-March 2014

Period	Argentina		Canada		Mexico	
	Price (dollars per ton)	Price (dollars per ton)	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)
2011:						
Jan.-Mar.	--	0	***	***	--	0
Apr.-Jun.	--	0	***	***	--	0
Jul.-Sept.	--	0	--	0	--	0
Oct.-Dec.	***	***	***	***	--	0
2012:						
Jan.-Mar.	***	***	***	***	--	0
Apr.-Jun.	--	0	***	***	--	0
Jul.-Sept.	--	0	***	***	--	0
Oct.-Dec.	***	***	***	***	--	0
2013:						
Jan.-Mar.	--	0	***	***	--	0
Apr.-Jun.	--	0	--	0	--	0
Jul.-Sept.	--	0	--	0	--	0
Oct.-Dec.	***	***	--	0	***	***
2014:						
Jan.-Mar.	--	0	--	0	--	0

¹ Product 2.-- Tubing, Grade J-55, 2 3/8" O.D., 4.7 lbs./ft., threaded and coupled, range 2, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Table E-5

OCTG: Weighted-average f.o.b. prices and quantities from nonsubject sources, product 3,¹ by quarters, January 2011-March 2014

Period	Taiwan-Chung Hung		Canada		Mexico	
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)
2011:						
Jan.-Mar.	***	***	***	***	--	0
Apr.-Jun.	***	***	***	***	--	0
Jul.-Sept.	***	***	***	***	--	0
Oct.-Dec.	***	***	--	0	--	0
2012:						
Jan.-Mar.	***	***	--	0	--	0
Apr.-Jun.	***	***	--	0	--	0
Jul.-Sept.	***	***	***	***	--	0
Oct.-Dec.	***	***	--	0	--	0
2013:						
Jan.-Mar.	***	***	***	***	--	0
Apr.-Jun.	***	***	***	***	--	0
Jul.-Sept.	***	***	--	0	***	***
Oct.-Dec.	***	***	--	0	***	***
2014:						
Jan.-Mar.	***	***	--	0	--	0

¹ Product 3.-- Casing, Grade J-55, 5 1/2" O.D., 17.0 lbs./ft., threaded and coupled, range 3, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Table E-6

OCTG: Weighted-average f.o.b. prices and quantities from nonsubject sources, product 4,¹ by quarters, January 2011-March 2014

Period	Argentina		Canada - API		Canada - non-API ²		
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Premium
2011:							
Jan.-Mar.	***	***	--	0	--	0	
Apr.-Jun.	--	0	--	0	--	0	
Jul.-Sept.	***	***	--	0	--	0	
Oct.-Dec.	***	***	--	0	--	0	
2012:							
Jan.-Mar.	--	0	***	***	--	0	
Apr.-Jun.	--	0	--	0	***	***	***
Jul.-Sept.	--	0	***	***	--	0	
Oct.-Dec.	--	0	***	***	***	***	***
2013:							
Jan.-Mar.	--	0	***	***	--	0	
Apr.-Jun.	--	0	***	***	***	***	***
Jul.-Sept.	***	***	***	***	--	0	
Oct.-Dec.	***	***	***	***	***	***	***
2014:							
Jan.-Mar.	--	0	--	0	--	0	
	Mexico						
Period	Price (dollars per ton)	Quantity (tons)					
2011:							
Jan.-Mar.	***	***					
Apr.-Jun.	***	***					
Jul.-Sept.	***	***					
Oct.-Dec.	***	***					
2012:							
Jan.-Mar.	--	0					
Apr.-Jun.	--	0					
Jul.-Sept.	--	0					
Oct.-Dec.	--	0					
2013:							
Jan.-Mar.	--	0					
Apr.-Jun.	--	0					
Jul.-Sept.	***	***					
Oct.-Dec.	***	***					
2014:							
Jan.-Mar.	--	0					

¹ Product 4.-- Casing, Grade P-110, 5 ½" O.D., 17.0 lbs./ft., threaded and coupled, range 3, seamless.

² Data were reported for product 4 that had a non-API standard connection (i.e., premium or proprietary). This data is separated from the API-standard connection data. These data are presented here, but not used for the calculation of quarterly comparison.

Source: Compiled from data submitted in response to Commission questionnaires.

Table E-7

OCTG: Weighted-average f.o.b. prices and quantities from nonsubject sources, product 5,¹ by quarters, January 2011-March 2014

Period	Taiwan- Chung Hung		Canada		Germany	
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)
2011:						
Jan.-Mar.	***	***	***	***	--	0
Apr.-Jun.	***	***	--	0	--	0
Jul.-Sept.	***	***	***	***	--	0
Oct.-Dec.	***	***	--	0	***	***
2012:						
Jan.-Mar.	***	***	--	0	--	0
Apr.-Jun.	***	***	***	***	--	0
Jul.-Sept.	***	***	***	***	--	0
Oct.-Dec.	***	***	***	***	--	0
2013:						
Jan.-Mar.	***	***	***	***	--	0
Apr.-Jun.	***	***	--	0	--	0
Jul.-Sept.	***	***	--	0	--	0
Oct.-Dec.	***	***	--	0	--	0
2014:						
Jan.-Mar.	***	***	***	***	--	0
	Japan					
Period	Price (dollars per ton)	Quantity (tons)				
2011:						
Jan.-Mar.	--	0				
Apr.-Jun.	--	0				
Jul.-Sept.	--	0				
Oct.-Dec.	--	0				
2012:						
Jan.-Mar.	--	0				
Apr.-Jun.	--	0				
Jul.-Sept.	--	0				
Oct.-Dec.	--	0				
2013:						
Jan.-Mar.	***	***				
Apr.-Jun.	***	***				
Jul.-Sept.	--	0				
Oct.-Dec.	--	0				
2014:						
Jan.-Mar.	--	0				

¹ Product 5.-- Casing, Grade J-55, 8 5/8" O.D., 32.0 lbs./ft., threaded and coupled, range 3, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Table E-8

OCTG: Weighted-average f.o.b. prices and quantities from nonsubject sources, product 6,¹ by quarters, January 2011-March 2014

Period	Taiwan- Chung Hung		Canada		Germany	
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)
2011:						
Jan.-Mar.	***	***	***	***	--	0
Apr.-Jun.	--	0	***	***	--	0
Jul.-Sept.	--	0	***	***	--	0
Oct.-Dec.	***	***	1,319	2,740	--	0
2012:						
Jan.-Mar.	--	0	***	***	--	0
Apr.-Jun.	--	0	***	***	--	0
Jul.-Sept.	--	0	***	***	--	0
Oct.-Dec.	--	0	***	***	***	***
2013:						
Jan.-Mar.	--	0	***	***	***	***
Apr.-Jun.	--	0	***	***	--	0
Jul.-Sept.	--	0	***	***	***	***
Oct.-Dec.	--	0	***	***	--	0
2014:						
Jan.-Mar.	--	0	***	***	--	0
Period	Japan		Mexico			
	Price (dollars per ton)	Quantity (tons)	Price (dollars per ton)	Quantity (tons)		
2011:						
Jan.-Mar.	--	0	--	0		
Apr.-Jun.	--	0	--	0		
Jul.-Sept.	***	***	--	0		
Oct.-Dec.	***	***	--	0		
2012:						
Jan.-Mar.	--	0	--	0		
Apr.-Jun.	--	0	--	0		
Jul.-Sept.	--	0	--	0		
Oct.-Dec.	--	0	--	0		
2013:						
Jan.-Mar.	***	***	--	0		
Apr.-Jun.	--	0	--	0		
Jul.-Sept.	***	***	***	***		
Oct.-Dec.	--	0	***	***		
2014:						
Jan.-Mar.	--	0	--	0		

¹ Product 6.-- Casing, Grade J-55, 9 5/8" O.D., 36.0 lbs./ft., threaded and coupled, range 3, welded.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure E-1
OCTG: Weighted-average f.o.b. prices and quantities of domestic and nonsubject sources, product 1, by quarter, January 2011-March 2014

* * * * *

Figure E-2
OCTG: Weighted-average f.o.b. prices and quantities of domestic and nonsubject sources, product 2, by quarter, January 2011-March 2014

* * * * *

Figure E-3
OCTG: Weighted-average f.o.b. prices and quantities of domestic and nonsubject sources, product 3, by quarter, January 2011-March 2014

* * * * *

Figure E-4
OCTG: Weighted-average f.o.b. prices and quantities of domestic and nonsubject sources, product 4, by quarter, January 2011-March 2014

* * * * *

Figure E-5
OCTG: Weighted-average f.o.b. prices and quantities of domestic and nonsubject sources, product 5, by quarter, January 2011-March 2014

* * * * *

Figure E-6
OCTG: Weighted-average f.o.b. prices and quantities of domestic and nonsubject sources, product 6, by quarter, January 2011-March 2014

* * * * *

APPENDIX F

ALLEGED EFFECTS OF IMPORTS ON CAPITAL AND INVESTMENT

The Commission requested that U.S. producers of OCTG describe any actual or potential negative effects of imports of OCTG from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Their responses are shown below.

Actual negative effects¹

Boomerang Tube: ***.
Drill Pipe International: ***.
EnergeX Tube: ***.
Evraz Rocky Mountain: ***.
Laguna Tubular Products: ***.
Maverick: ***.
Northwest Pipe: ***.
Paragon Industries: ***.
Tejas Tubular: ***.
Texas Steel Conversion: ***.
Texas Tubular: ***.
TMK IPSCO: ***.
U.S. Steel: ***.
Vallourec Star: ***.
Welded Tube: ***.

Anticipated negative effects¹

Boomerang Tube: ***.
Drill Pipe International: ***.
EnergeX Tube: ***.
Evraz Rocky Mountain: ***.
Laguna Tubular Products: ***.
Maverick: ***.
Northwest Pipe: ***.
Paragon Industries: ***.
Tejas Tubular: ***.
Texas Steel Conversion: ***.
Texas Tubular: ***.
TMK IPSCO: ***.
U.S. Steel: ***.
Vallourec Star: ***.
Welded Tube: ***.

¹ When asked whether the firm's response differed by country, ***.

APPENDIX G

KEY TABLES FOR POST-SAUDI ARABIA AMENDED NEGATIVE DETERMINATION

Table G-1 (updated table IV-2)

OCTG: U.S. imports, by source, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
	Quantity (short tons)				
U.S. imports from.-- India	***	***	***	***	***
Korea	***	***	***	***	***
Turkey	140,806	151,576	133,773	24,217	34,158
Ukraine	***	***	***	***	***
Vietnam	56,697	219,997	144,871	31,876	2,757
5 country subtotal	***	***	***	***	***
Philippines	23,933	69,757	73,969	12,030	17,794
Taiwan (subject)	***	***	***	***	***
Thailand	6,135	31,833	33,741	3,424	11,911
3 country subtotal	***	***	***	***	***
8 country subtotal	***	***	***	***	***
Saudi Arabia	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal	***	***	***	***	***
Total imports	2,839,740	3,570,796	3,242,306	734,735	890,275
	Share of quantity (percent)				
U.S. imports from.-- India	***	***	***	***	***
Korea	***	***	***	***	***
Turkey	5.0	4.2	4.1	3.3	3.8
Ukraine	***	***	***	***	***
Vietnam	2.0	6.2	4.5	4.3	0.3
5 country subtotal	***	***	***	***	***
Philippines	0.8	2.0	2.3	1.6	2.0
Taiwan (subject)	***	***	***	***	***
Thailand	0.2	0.9	1.0	0.5	1.3
3 country subtotal	***	***	***	***	***
8 country subtotal	***	***	***	***	***
Saudi Arabia	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal	***	***	***	***	***
Total imports	100.0	100.0	100.0	100.0	100.0

Notes continued on following page.

Source: Official imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150 with adjustments based on data submitted in response to Commission questionnaires. Official import statistics reported through to December 2013 reflect revisions available as of July 2014.

Table G-2 (updated table IV-8)

OCTG: U.S. imports by source and share of imports, July 2012 through June 2013

* * * * *

Table G-3 (table IV-8 augmented)

OCTG: Monthly U.S. imports, January 2011 through March 2014

* * * * *

Table G-4 (updated table IV-10 -- updated to exclude Saudi Arabia)

OCTG: U.S. importers' U.S. subject imports, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table G-5 (updated and augmented table IV-10 – 5 non-negligible sources)
OCTG: U.S. importers' U.S. imports from India, Korea, Turkey, Ukraine, and Vietnam, by type, 2011-13,
January to March 2013, and January to March 2014

Item	Calendar year			January to March	
	2011	2012	2013	2013	2014
Quantity (short tons)					
Finished OCTG	138,991	180,633	161,081	38,424	12,035
Unfinished OCTG.-- Not at API	64,442	87,555	69,468	14,073	18,638
At API but upgradeable	243,089	251,722	276,150	64,242	69,790
At final API but needs end finishing	598,506	866,438	873,854	239,006	153,003
All others	28,107	27,411	13,607	4,649	512
Subtotal, unfinished OCTG	934,144	1,233,126	1,233,079	321,970	241,943
Total U.S. shipments	1,073,135	1,413,759	1,394,160	360,394	253,978
Value (1,000 dollars)					
Finished OCTG	197,250	235,182	190,477	48,386	14,004
Unfinished OCTG.-- Not at API	68,157	98,110	63,159	12,483	16,762
At API but upgradeable	275,676	268,904	260,652	66,961	64,161
At final API but needs end finishing	630,593	881,402	792,826	218,912	133,743
All others	35,846	34,860	14,710	5,666	494
Subtotal, unfinished OCTG	1,010,272	1,283,276	1,131,347	304,022	215,160
Total U.S. shipments	1,207,522	1,518,458	1,321,824	352,408	229,164
Unit value (dollars per short ton)					
Finished OCTG	1,419	1,302	1,182	1,259	1,164
Unfinished OCTG.-- Not at API	1,058	1,121	909	887	899
At API but upgradeable	1,134	1,068	944	1,042	919
At final API but needs end finishing	1,054	1,017	907	916	874
All others	1,275	1,272	1,081	1,219	965
Subtotal, unfinished OCTG	1,081	1,041	917	944	889
Total U.S. shipments	1,125	1,074	948	978	902
Share of quantity (percent)					
Finished OCTG	13.0	12.8	11.6	10.7	4.7
Unfinished OCTG.-- Not at API	6.0	6.2	5.0	3.9	7.3
At API but upgradeable	22.7	17.8	19.8	17.8	27.5
At final API but needs end finishing	55.8	61.3	62.7	66.3	60.2
All others	2.6	1.9	1.0	1.3	0.2
Subtotal, unfinished OCTG	87.0	87.2	88.4	89.3	95.3
Total U.S. shipments	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table G-6 (updated and augmented table IV-10 -- 3 negligible sources)

OCTG: U.S. importers' U.S. imports from Philippines, Taiwan (subject), and Thailand, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table G-7 (updated table IV-11 -- updated to include Saudi Arabia)

OCTG: U.S. importers' U.S. imports from all nonsubject sources, by type, 2011-13, January to March 2013, and January to March 2014

* * * * *

Table G-8 (updated table IV-15)

OCTG: U.S. shipments of domestic product, U.S. imports, and apparent consumption, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March		Period changes			
	2011	2012	2013	2013	2014	2011-13	2011-12	2012-13	Jan-Mar 2013-14
	Quantity (short tons)								
U.S. producers' U.S. shipments	3,135,876	3,387,771	3,736,381	870,703	950,579	19.1	8.0	10.3	9.2
U.S. imports from.--									
India	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
Turkey	140,806	151,576	133,773	24,217	34,158	-5.0	7.6	-11.7	41.0
Ukraine	***	***	***	***	***	***	***	***	***
Vietnam	56,697	219,997	144,871	31,876	2,757	155.5	288.0	-34.1	-91.4
5 country subtotal	***	***	***	***	***	***	***	***	***
Philippines	23,933	69,757	73,969	12,030	17,794	209.1	191.5	6.0	47.9
Taiwan (subject)	***	***	***	***	***	***	***	***	***
Thailand	6,135	31,833	33,741	3,424	11,911	450.0	418.9	6.0	247.9
3 country subtotal	***	***	***	***	***	***	***	***	***
8 country subtotal	***	***	***	***	***	***	***	***	***
Saudi Arabia	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Total imports	2,839,740	3,570,796	3,242,306	734,735	890,275	14.2	25.7	-9.2	21.2
Apparent U.S. consumption	5,975,616	6,958,567	6,978,687	1,605,438	1,840,854	16.8	16.4	0.3	14.7

Table continued on next page.

Table G-8 (updated table IV-15)--Continued

OCTG: U.S. shipments of domestic product, U.S. imports, and apparent consumption, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March		Period changes			
	2011	2012	2013	2013	2014	2011 -13	2011 -12	2012 -13	Jan- Mar 2013- 14
Value (1,000 dollars)									
U.S. producers' U.S. shipments.- Mills' U.S. shipments	5,286,771	5,867,506	5,833,652	1,359,773	1,466,007	10.3	11.0	-0.6	7.8
Processors' toll revenue/ incremental value	160,655	218,147	264,793	61,864	69,767	64.8	35.8	21.4	12.8
Total U.S. producer contributions	5,447,426	6,085,653	6,098,445	1,421,637	1,535,774	12.0	11.7	0.2	8.0
U.S. imports from.-- India	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
Turkey	133,698	144,280	114,981	22,481	29,012	-14.0	7.9	-20.3	29.1
Ukraine	***	***	***	***	***	***	***	***	***
Vietnam	53,923	201,905	119,291	26,414	3,144	121.2	274.4	-40.9	-88.1
5 country subtotal	***	***	***	***	***	***	***	***	***
Philippines	21,542	64,567	60,391	9,784	13,739	180.3	199.7	-6.5	40.4
Taiwan (subject)	***	***	***	***	***	***	***	***	***
Thailand	8,053	43,815	39,752	4,593	16,280	393.6	444.1	-9.3	254.5
3 country subtotal	***	***	***	***	***	***	***	***	***
8 country subtotal	***	***	***	***	***	***	***	***	***
Saudi Arabia	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Total imports	3,981,070	5,053,876	3,997,131	952,338	1,067,990	0.4	26.9	-20.9	12.1
Apparent U.S. consumption	9,428,496	11,139,529	10,095,576	2,373,975	2,603,764	7.1	18.1	-9.4	9.7

Source: Compiled from data submitted in response to Commission questionnaires and official Commerce statistics. Official import statistics reported through December 2013 reflect revisions available as of July 2014.

Table G-9 (updated table IV-16)

OCTG: U.S. consumption and market shares, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March		Period changes				
	2011	2012	2013	2013	2014	Calendar year			Jan-Mar	
						2011-13	2011-12	2012-13	2013-14	
	Quantity (short tons)									
Apparent U.S. consumption	5,975,616	6,958,567	6,978,687	1,605,438	1,840,854	16.8	16.4	0.3	14.7	
	Market share based on quantity (percent)									
U.S. producers' U.S. shipments	52.5	48.7	53.5	54.2	51.6	1.1	-3.8	4.9	-2.6	
U.S. imports from.--										
India	***	***	***	***	***	***	***	***	***	
Korea	***	***	***	***	***	***	***	***	***	
Turkey	2.4	2.2	1.9	1.5	1.9	-0.4	-0.2	-0.3	0.3	
Ukraine	***	***	***	***	***	***	***	***	***	
Vietnam	0.9	3.2	2.1	2.0	0.1	1.1	2.2	-1.1	-1.8	
5 country subtotal	***	***	***	***	***	***	***	***	***	
Philippines	0.4	1.0	1.1	0.7	1.0	0.7	0.6	0.1	0.2	
Taiwan (subject)	***	***	***	***	***	***	***	***	***	
Thailand	0.1	0.5	0.5	0.2	0.6	0.4	0.4	0.0	0.4	
3 country subtotal	***	***	***	***	***	***	***	***	***	
8 country subtotal	***	***	***	***	***	***	***	***	***	
Saudi Arabia	***	***	***	***	***	***	***	***	***	
All other sources	***	***	***	***	***	***	***	***	***	
Subtotal	***	***	***	***	***	***	***	***	***	
Total imports	47.5	51.3	46.5	45.8	48.4	-1.1	3.8	-4.9	2.6	
Apparent U.S. consumption	52.5	48.7	53.5	54.2	51.6	1.1	-3.8	4.9	-2.6	

Table continued on next page.

Table G-9 (updated table IV-16)--Continued

OCTG: U.S. consumption and market shares, 2011-13, January to March 2013, and January to March 2014

Item	Calendar year			January to March		Period changes				
	2011	2012	2013	2013	2014	Calendar year			Jan-Mar	
						2011-13	2011-12	2012-13	2013-14	
	Value (\$1,000s)									
Apparent U.S. consumption	9,428,496	11,139,529	10,095,576	2,373,975	2,603,764	7.1	18.1	-9.4	9.7	
	Market share based on quantity (percent)									
U.S. producers' U.S. shipments.- Mills' U.S. shipments	***	***	***	***	***	***	***	***	***	
Processors' toll revenue/ incremental value	***	***	***	***	***	***	***	***	***	
Total U.S. producer contributions	***	***	***	***	***	***	***	***	***	
U.S. imports from.-- India	***	***	***	***	***	***	***	***	***	
Korea	***	***	***	***	***	***	***	***	***	
Turkey	2.4	2.2	1.9	1.5	1.9	-0.4	-0.2	-0.3	0.3	
Ukraine	***	***	***	***	***	***	***	***	***	
Vietnam	0.6	1.8	1.2	1.1	0.1	0.6	1.2	-0.6	-1.0	
5 country subtotal	***	***	***	***	***	***	***	***	***	
Philippines	0.2	0.6	0.6	0.4	0.5	0.4	0.4	0.0	0.1	
Taiwan (subject)	***	***	***	***	***	***	***	***	***	
Thailand	0.1	0.4	0.4	0.2	0.6	0.3	0.3	0.0	0.4	
3 country subtotal	***	***	***	***	***	***	***	***	***	
8 country subtotal	14.3	16.3	15.8	16.6	16.0	1.4	1.9	-0.5	-0.5	
Saudi Arabia	***	***	***	***	***	***	***	***	***	
All other sources	***	***	***	***	***	***	***	***	***	
Subtotal	***	***	***	***	***	***	***	***	***	
Total imports	42.2	45.4	39.6	40.1	41.0	-2.6	3.1	-5.8	0.9	
Apparent U.S. consumption	***	***	***	***	***	***	***	***	***	

Source: Compiled from data submitted in response to Commission questionnaires and official Commerce statistics. Official import statistics reported through December 2013 reflect revisions available as of July 2014.

Table G-10 (updated table V-13)

OCTG: Instances of underselling/overselling and the range and average margins, all subject countries, grouped, January 2011-March 2014

* * * * *

Table G-11 (updated table VII-19 – updated to exclude Saudi Arabia)

OCTG: Data for subject producers in India, Korea, Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam combined (mills only), 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

Table G-12 (updated and augmented table VII-19 – 5 non-negligible sources)

OCTG: Data for subject producers in India, Korea, Turkey, Ukraine, and Vietnam combined (mills only), 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

Table G-13 (updated and augmented table VII-19 – 3 negligible sources)

OCTG: Data for subject producers in Philippines, Taiwan, and Thailand combined (mills only), 2011-13, January to March 2013, January to March 2014, and projected 2014 and 2015

* * * * *

Table G-14 (updated table D-11--updated to exclude Saudi Arabia)

OCTG: U.S. importers' U.S. shipments of OCTG from subject sources, by type and end finish, 2013

* * * * *

**Table G-15 (updated and augmented D-11--5 non-negligible sources)
OCTG: U.S. importers' U.S. shipments of OCTG from India, Korea, Turkey, Ukraine, and Vietnam,
by type and end finish, 2013**

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Quantity (short tons)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	927,354
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	177,130
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	141,573
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,357,238
	Value (1,000 dollars)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	895,540
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	232,922
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	***
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,445,871

Table continued on next page.

Table G-15 (updated and augmented D-11--5 non-negligible sources)--Continued
OCTG: U.S. importers' U.S. shipments of OCTG from India, Korea, Turkey, Ukraine, and Vietnam,
by type and end finish, 2013

Type	Threaded and coupled		Threaded not coupled		Plain end	Coupling stock	Total
	Proprietary	Not proprietary	Proprietary	Not proprietary			
	Unit value (dollars per short ton)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	966
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	1,315
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	1,358
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	1,065
	Share of quantity by end finish (percent)						
Below API/limited service	***	***	***	***	***	***	***
H-40	***	***	***	***	***	***	***
J-55	***	***	***	***	***	***	68.3
K-55	***	***	***	***	***	***	***
M-65	***	***	***	***	***	***	***
L-80	***	***	***	***	***	***	13.1
C-95	***	***	***	***	***	***	***
N-80, Type I	***	***	***	***	***	***	***
N-80, Type II	***	***	***	***	***	***	***
C-90	***	***	***	***	***	***	***
T-95	***	***	***	***	***	***	***
P-110	***	***	***	***	***	***	10.4
Q-125	***	***	***	***	***	***	***
Premium/proprietary	***	***	***	***	***	***	***
Total reported U.S. shipments	***	***	***	***	***	***	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table G-16 (updated and augmented D-11--3 negligible sources)
OCTG: U.S. importers' U.S. shipments of OCTG from Philippines, Taiwan (subject), and Thailand, by type and end finish, 2013

* * * * *

Table G-17 (updated D-12--updated to include Saudi Arabia)
OCTG: U.S. importers' U.S. shipments of OCTG from nonsubject sources, by type and end finish, 2013

* * * * *

Table G-18 (updated table E-1)
OCTG: Instances of nonsubject source underselling/overselling when compared with domestic prices, and the range and average margins, by source, January 2011-March 2014

Nonsubject source	Number of quarters of underselling	Number of quarters of (overselling)	Margins of underselling			Margins of (overselling)		
			Average (percent)	Range (percent)		Average (percent)	Range (percent)	
				Min	Max		Min	Max
Taiwan (Chung Hung)	24	4	***	***	***	***	***	***
Argentina	11	10	***	***	***	***	***	***
Canada	25	16	***	***	***	***	***	***
Germany	1	3	***	***	***	***	***	***
Japan	1	5	***	***	***	***	***	***
Mexico	4	9	***	***	***	***	***	***
Saudi Arabia	9	4	***	***	***	***	***	***
Subtotal	51	47	***	***	***	***	***	***
Total	75	51	***	***	***	***	***	***

Note.-- When compared with prices of these specific OCTG products manufactured in the United States, OCTG imported from nonsubject sources (including Chung Hung in Taiwan and Saudi Arabia) was priced lower than domestically produced OCTG in 75 of 126 quarters of comparison (59.5 percent).

Source: Compiled from data submitted in response to Commission questionnaires.

Table G-19 (updated table E-2)

OCTG: Number of quarters that prices of domestic OCTG and OCTG imported from subject sources were lower and higher than nonsubject product prices

Comparison country	Number of quarters:	
	Higher prices for OCTG from nonsubject sources	Lower prices for OCTG from nonsubject sources
United States	51	75
India	9	4
Korea	47	25
Philippines	32	13
Taiwan	44	20
Thailand	12	2
Turkey	49	24
Ukraine	28	4
Vietnam	39	9
Total	260	101

Note.-- OCTG imported from subject sources was priced lower than OCTG imported from nonsubject sources (including Chung Hung in Taiwan and Saudi Arabia) in 260 of 361 possible comparisons (72.0 percent).

Source: Compiled from data submitted in response to Commission questionnaires.