

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. TA-421-6

CIRCULAR WELDED NON-ALLOY STEEL PIPE FROM CHINA

DETERMINATION

On the basis of information developed in the subject investigation, the United States International Trade Commission determines, pursuant to section 421(b)(1) of the Trade Act of 1974,¹ that circular welded non-alloy steel pipe² from the People's Republic of China is being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic producers of like or directly competitive products.³ (70 FR 58746, October 7, 2005).

RECOMMENDATIONS ON PROPOSED REMEDIES

Chairman Stephen Koplan and Commissioner Charlotte R. Lane propose that the President impose an annual quota of 160,000 short tons on imports of circular welded non-alloy steel pipe from China for a three-year period. They further recommend that, if applications are filed, the President direct

¹ 19 U.S.C. § 2451(b)(1).

² The products subject to this investigation include certain welded carbon quality steel pipes and tubes, of circular cross-section, with an outside diameter of 0.372 inches (9.45 mm) or more, but not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (ASTM, proprietary, or other), generally known as standard pipe and structural pipe (they may also be referred to as structural or mechanical tubing). The term carbon quality steel may include certain low alloy steel imported as other alloy steel pipes and tubes.

All pipe meeting the physical description set forth above that is used in, or intended for use in, standard and structural pipe applications is covered by the scope of this investigation. Standard pipe applications include the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and as an intermediate product for protection of electrical wiring, such as conduit shells. Structural pipe is used in construction applications.

Products not included in this investigation are mechanical tubing (whether or not cold-drawn) provided for in HTS subheading 7306.30.50, tube and pipe hollows for redrawing provided for in HTS 7306.30.5035, or finished electrical conduit provided for in HTS 7306.30.5028. API line pipe used in oil or gas applications requiring API certifications is also not included in this investigation. Similarly, pipe produced to the API specifications for oil country tubular goods use are not included in this investigation.

The subject imported products are currently provided for in the Harmonized Tariff Schedule of the United States (HTS) subheadings 7306.30.10 and 7306.30.50. Specifically, the various HTS statistical reporting numbers under which the subject standard pipe has been provided for since January 1, 1992, are as follows: 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. Although the HTS category is provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

Pipe multiple-stenciled to the ASTM A-53 specification and to any other specification, such as the API-5L or 5L X-42 specifications, or single-certified pipe that enters under HTS subheading 7306.10.10, is covered by this investigation when used in, or intended for use in, one of the standard pipe applications listed above, regardless of the HTS category in which it is entered. Pipe shells that enter the United States under HTS subheading 7306.30.50, including HTS statistical reporting number 7306.30.5028, are also covered by this investigation. The investigation also covers pipe used for the production of scaffolding (but does not include finished scaffolding).

³ Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson make a negative determination.

the U.S. Department of Commerce and the U.S. Department of Labor to provide expedited consideration of trade adjustment assistance for firms and/or workers affected by the subject imports.

Commissioner Jennifer A. Hillman and Commissioner Shara L. Aranoff propose that the President impose a tariff-rate quota for a period of three years on imports of circular welded non-alloy steel pipe from China as follows: 267,468 short tons in the first year of relief, 280,841 short tons in the second year, and 308,925 short tons in the third year, with subject pipe entered within the quota subject to the current rate of duty of “Free,” and over-quota imports subject to a duty of 25 percent *ad valorem*. They further recommend that, if applications are filed, the President direct the U.S. Department of Commerce and the U.S. Department of Labor to provide expedited consideration of any petitions for trade adjustment assistance filed by firms or workers affected by the subject imports.

BACKGROUND

Following receipt of a petition, on August 2, 2005, on behalf of Allied Tube and Conduit Corp., Harvey, IL; IPSCO Tubulars, Inc., Camanche, IA; Maruichi American Corp., Santa Fe Springs, CA; Maverick Tube Corp., Chesterfield, MO; Sharon Tube Co., Sharon, PA; Western Tube Conduit Corp., Long Beach, CA; Wheatland Tube Co., Wheatland, PA.; and the United Steelworkers of America, AFL-CIO, Pittsburgh, PA; the Commission instituted investigation No. TA-421-06, Circular Welded Non-Alloy Steel Pipe from China, under section 421(b) of the Act to determine whether circular welded non-alloy steel pipe from China is being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic producers of like or directly competitive products.

Notice of the institution of the Commission’s investigation and of the scheduling of a public hearing to be held in connection therewith was given by posting a copy of the notice on the Commission’s website (www.usitc.gov) and by publishing the notice in the *Federal Register* of August 10, 2005 (70 FR 46543). The hearing was held on September 16, 2005 in Washington, DC; all persons who requested the opportunity were permitted to appear in person or by counsel.

The views of the Commission are contained in USITC Publication 3807 (October 2005), entitled *Circular Welded Non-alloy Steel Pipe from China: Investigation No. TA-421-6*.

By order of the Commission.

/s/
Marilyn R. Abbott
Secretary to the Commission

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